

# EXHIBIT D

**FW-04464**

***Chavez, Mauricio - 02-10-2022***

***2/10/2022 10:06 AM***

**Condensed Transcript with Endnotes**

**Prepared by:**

Harris, JILL  
FW-04464

Friday, April 22, 2022

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1 THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION	1 C O N T E N T S
2	2
3 In the Matter of: )	3 WITNESS: EXAMINATION
4 ) File No. FW-04464-A	4 Mauricio Chavez 15
5 CRYPTOFX LLC )	5
6	6 EXHIBITS: DESCRIPTION IDENTIFIED
7 WITNESS: Mauricio Chavez	7 9 December 22, 2021 subpoena 21
8 PAGES: 11 through 271	8 10 December 22, 2021 CryptoFX subpoena 25
9 PLACE: Securities and Exchange Commission	9 11 Roster of CryptoFX students 48
10 801 Cherry Street	10 12 PowerPoint presentation 85
11 Fort Worth, Texas 76102	11 13 CryptoFX Student Agreement 106
12 DATE: Thursday, February 10, 2022	12 14 Rodolfo Hernandez Lopez student contract 127
13	13 18 Fernandez text message 255
14 The above-entitled matter came on for hearing	14
15 via Webex, pursuant to subpoena, at 10:06 a.m.	15
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17	17
18	18
19	19
20	20
21	21
22	22
23	23
24 Diversified Reporting Services, Inc.	24
25 (202) 467-9200	25
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1 APPEARANCES:	1 P R O C E E D I N G S
2	2 MS. HARRIS: We are on the record at
3 On behalf of the Securities and Exchange Commission:	3 10:06 a.m. Central Time on February 10th, 2020.
4 JILLIAN HARRIS, ESQ.	4 Will the witness please state his
5 JAMES ETRI, ASSISTANT REGIONAL DIRECTOR	5 name.
6 JAMIE HAUSSECKER, PARALEGAL	6 MR. CHAVEZ: Mauricio Antonio
7 Division of Enforcement	7 Chavez.
8 Securities and Exchange Commission	8 MS. HARRIS: And, Mr. Chavez, will
9 801 Cherry Street	9 you please spell that out for the court reporter?
10 Fort Worth, Texas 76102	10 MR. CHAVEZ: Sure. Mauricio,
11 (817) 900-2639	11 M-A-U-R-I-C-I-O. Antonio is A-N-T-O-N-I-O.
12 harrisji@sec.gov	12 Chavez, C-H-A-V-E-Z.
13	13 MS. HARRIS: Okay. Mr. Chavez, do
14 On behalf of the Witness:	14 you consent to taking an oath or affirmation to
15 JOHN H. SKLAR, ESQ.	15 tell the truth remotely via Webex rather than in
16 Magallon & Sklar, L.L.P.	16 person?
17 500 Jefferson Street, Suite 2000	17 MR. CHAVEZ: Yes, ma'am.
18 Houston, Texas 77002-7337	18 MS. HARRIS: And do you understand
19 (713) 658-8500	19 this oath has the same effect as if it were
20	20 administered in person?
21	21 MR. CHAVEZ: Yes, ma'am.
22	22 MS. HARRIS: Okay. Please raise your
23	23 right hand.
24	24 Do you swear to tell the truth, the
25	25 whole truth and nothing but the truth?

<p>1 start -- pretty much and start buying      2 different -- different coins and really      3 understand the cryptocurrency industry.      4 Q Okay. So, the revenue came from where?      5 A Okay. The -- the revenue -- CryptoFX      6 was an academy that started teaching and started      7 doing different packages as far as -- so they can      8 learn the -- the -- you know, that information      9 that needed to be provided to them to start doing      10 the trading. And at the beginning that's where      11 we got -- we got the revenue.      12 Q Am I correct in stating that at the      13 beginning the revenue came from the students?      14 A That is correct. Yes, ma'am.      15 Q Approximately how many students do you      16 have on your roster?      17 A I would say 3,000 to 5,000 students.      18 Q 3,000 to 5,000; is that correct?      19 A Yes, ma'am.      20 Q And you just started CryptoFX in 2000;      21 is that correct?      22 A Could you repeat that again?      23 Q Absolutely.      24 You established CryptoFX in 2000; is      25 that correct?</p>	<p>Page 31</p> <p>1 plus, we went over different coins in the space      2 and -- and really kind of help them create a --      3 with their own decisions of course, create a      4 portfolio that would benefit them in the      5 long-term.      6 Q When you first started this where did      7 you conduct your classes?      8 A I -- believe it or not I started in a      9 restaurant.      10 Q Okay. About how many students attended      11 the classes?      12 A It started like with 50 students at the      13 beginning.      14 Q Okay. How often would you hold      15 classes?      16 A Every day. Monday through Friday every      17 day. Night classes every day. Like, seven p.m.      18 every day we will meet at the -- at that      19 restaurant.      20 Q What restaurant was this?      21 A It was actually a Denny's restaurant      22 that have a -- a huge space on the back -- back      23 of it connected. And it pretty much started from      24 there.      25 Q Okay. So, you have students attending</p>
<p>1 A The year 2000?      2 Q Yes. Excuse me, 2020?      3 A That is correct. Yes, ma'am.      4 Q Okay. I want to make a clean record.      5 So, I'm going to ask the question again.      6 Am I correct in stating that it was      7 established in 2020?      8 A Yes, ma'am.      9 Q Okay. Thank you.      10 You are getting revenue from the      11 students through these different packages. Can      12 you explain the different packages?      13 A Yes, ma'am.      14 Pretty much depending on the level      15 of -- of where they were, I start different      16 packages. Like the starting package,      17 intermediate package and an advance package. So,      18 for instance, to teach you the basic information      19 on just understanding and opening an exchange, we      20 would charge a \$499.00 fee.      21 On a more intermediate level which is      22 understanding -- opening an exchange, opening an      23 account and -- and start trading. So, it was      24 more like intermediate level. And an advance      25 level which, you know, included all of that,</p>	<p>Page 32</p> <p>1 these classes once every day. Are there just one      2 class per day or multiple classes?      3 A No, one class per day.      4 Q And so, there would be beginner      5 students sitting with intermediate students      6 sitting with advanced students; is that correct?      7 A That is correct. Yes, ma'am.      8 Q Okay.      9 A In the beginning it was like that.      10 Q Okay. How would you solicit your      11 students?      12 A It was just pretty much one person, you      13 know, telling of his cousin, you know, family      14 member or friend, say, you know, I'm learning the      15 crypto space. It's a different trend. It's a      16 new trend that's really involving, you know, that      17 can really give us an extra income opportunity      18 pretty much.      19 Q Okay. Okay. Did you do any sort of on      20 line advertising or any other advertising?      21 A No, ma'am.      22 Q Did you do any -- any -- any -- so, no      23 advertising on the radio or anything like that?      24 A No, ma'am.      25 Q Okay. You said when you first started</p>

<p style="text-align: right;">Page 35</p> <p>1 your revenue came from student payments for 2 classes; is that correct? 3 A Yes, ma'am. 4 Q Okay. Did that change over time? 5 A After -- after, I would say, 2021 we -- 6 we changed because more people wanted to know 7 what we were doing learning and they -- they got, 8 you know, news of how the other people were doing 9 that were having a lot of success. So, the -- 10 the word spread that we're teaching them how to 11 do things and really had success levels. 12 Q Okay. Did you in 2021 establish a new 13 stream of revenue? 14 A Yes, ma'am. 15 Q Describe that. 16 A We created different packages as far 17 as, you know, like -- like an agreement. More 18 like a -- like a -- because they -- they wanted 19 to -- since they were getting great results they 20 wanted to establish -- you know, of course create 21 a bigger income level. So, they started asking 22 me if I would create some type of package where 23 it could be -- could be like a loan to -- to us, 24 to the company, and we could do the portfolios 25 and stuff and really create an extra income for</p>	<p style="text-align: right;">Page 37</p> <p>1 you know. And of course we know how -- we saw 2 how afterwards. So, we understand what the -- 3 the trend and the market itself. And we and -- 4 and them saw it as an opportunity to take 5 advantage of the market itself. 6 Q About how many students do you have in 7 2021 when it changes to adding the different 8 packages? 9 A It was like 400, 500 students the max. 10 Q Okay. 11 A Those were the max students. 12 Q Okay. Describe the different packages 13 that you are now offering in 2021? 14 A Yes. We have bronze, the gold and -- 15 and the other packages as before. See, I 16 don't -- I don't -- myself, I really don't focus 17 on promoting the -- the business itself to get 18 more clients. I -- I don't focus on that myself. 19 Q Okay. If I come to CryptoFX and I am 20 interested in having you take my money and put it 21 in the crypto space, what are my options? I 22 have -- what are my options? 23 A Okay. Well, first, you know, we really 24 need to explain to you that we are not an 25 investing academy. We are not a financial</p>
<p style="text-align: right;">Page 36</p> <p>1 them. That's how things -- the different revenue 2 started. 3 Q That's helpful. Let me unpack that. 4 Before you had a small amount of 5 students and you had success by getting them 6 money in the crypto space. And other people hear 7 about this success and so it grows. In 2021 you 8 then change the revenue stream from -- or change 9 the revenue stream from students paying to learn 10 to students giving money to the company so you 11 can do the crypto investing for them? 12 A I wouldn't call it crypto investing. It 13 was -- and we -- as a company, we never stopped 14 the teaching part of things. Because of the 15 COVID, of course, we created -- we changed the 16 model a little bit to more of Zoom. Instead of 17 doing it live, we did it -- we do it Zoom every 18 day, Zoom meeting. 19 But pretty much the -- the new income 20 revenue started, people wanted to loan the 21 company money in a way, but we did it as an 22 agreement, as you have in -- in your records, 23 of -- you know, because we saw the opportunity -- 24 we understood the opportunity in the crypto space 25 and how we -- it popped, how it boomed in 2017,</p>	<p style="text-align: right;">Page 38</p> <p>1 institution. And we make you understand all of 2 that. And what we tell you is, we're going to 3 help you get involved with the crypto space by 4 teaching you how to open an exchange, how to 5 start buying different coins. How -- 6 understanding the bio technical of the market 7 itself and that it is very risky, you know. 8 And -- and, of course, we -- we will 9 teach you on how you can strategize if you want 10 to establish an account with us, but most 11 importantly, so you can learn it on your own. 12 The goal is for you to do it on your own with the 13 education. 14 Even though we change a different 15 stream of income or revenue for the company, we 16 never change the model as far as our goal is to 17 teach people how to really educate themselves so 18 they don't have to depend on nobody else. Not 19 even on the company -- on our company itself. 20 Q Does everyone that gives you a loan -- 21 strike that. Let me ask a better question. 22 Does every person that gives you money 23 also attend the classes? 24 A Could you -- do you -- do you mean 25 every person?</p>

<p>1    Q    Every person.</p> <p>2    A    No, ma'am, because it is a optional. It 3 is available to them, like I said, every day 4 Monday through Friday. We do it via Zoom. And 5 because of the COVID we changed the model. 6 Normally we do it on a daily basis, you know, 7 like face-to-face. So -- but, you know, 8 different people participate on different days.</p> <p>9    Q    So what I'm hearing you say is that 10 there are two streams of revenue. One extreme is 11 students paying for classes for you to teach them 12 how to open up the accounts and get into the 13 crypto space. The second stream is people giving 14 you money for you to do it for them; is that 15 correct?</p> <p>16    A    Yes, ma'am.</p> <p>17    Q    Okay. Currently, what percentage of 18 your business are students and classes?</p> <p>19    A    I would say 40 percent. 30 to 40 20 percent.</p> <p>21    Q    So, the majority of your business is 22 people giving you money to invest in the crypto 23 space; is that correct?</p> <p>24    A    I wouldn't say invest, but like I said, 25 the model is more the loan where we make the</p>	<p>Page 39</p> <p>1    Q    Okay, that's helpful.</p> <p>2    A    A person gives you money. They sign 3 the contract. What do you do with the money?</p> <p>4    A    We put it into Bitcoin because that's 5 how we start distributing and that's how we start 6 doing trading.</p> <p>7    Q    Okay. I want you to expand on that.</p> <p>8 When you say, Put it into Bitcoin, what do you 9 mean?</p> <p>10    A    Okay. So, for instance, somebody buys 11 a package, what we do is we -- we first tell them 12 that, you know, they need to open an account, a 13 crypto account, and to purchase Bitcoin and send 14 Bitcoin to us as a -- to the company. In order 15 for us to start doing trading in the crypto space 16 everything needs to be done by a different coin, 17 you know. The easiest coin to get access to 18 where you can find it's called is BTM. Even in 19 gas stations they have BTMs now. They can go 20 into the gas station and really buy crypto there 21 or they can open an -- an exchange like a 22 Coinbase. And they can leave their bank account 23 and buy Bitcoin from there as well. And that's 24 how they -- they will join the -- the company 25 with us as well.</p>
<p>1 decisions on what kind of portfolio to -- to 2 establish, you know. That -- that's more the 3 route that we take.</p> <p>4    Q    Okay. The majority of your business is 5 people giving you money without attending the 6 classes; is that correct?</p> <p>7    A    They do attend the classes. It's just 8 that they don't attend the classes every day. 9 It's more, you know, of course, like, 7 p.m. it's 10 when a lot of the people are with their kids now. 11 So, some people attend. Some people don't.</p> <p>12    Q    You previously stated that there are 13 some people that don't attend any classes at all 14 and just have signed a contract with you and have 15 said, This is the amount of money I want to put 16 into the crypto space and I want you to be 17 responsible for this money; is that correct?</p> <p>18    A    Yes, ma'am. We do give them 19 information as far as, you know, the importance 20 of -- of, of course, getting involved and really 21 getting to know what it is they are in. We don't 22 necessarily want them to just put in a -- a 23 package with us and really not understanding what 24 we're doing, how we operate and what our 25 intention is as an academy.</p>	<p>Page 40</p> <p>1    Q    I don't think I caught the last part. 2 Can you repeat what you said?</p> <p>3    A    Okay. For instance, they can open a 4 Coinbase account and they can link their bank 5 account to the Coinbase account, purchase Bitcoin 6 on there. And once they have the Bitcoin, they 7 can -- they can buy their -- the package that 8 they're joining with the academy.</p> <p>9    Q    Do you also accept cash?</p> <p>10    A    Yes, ma'am, we have.</p> <p>11    Q    So, if I come to you and I want to give 12 you cash to put into the crypto space, what do 13 you do with that cash?</p> <p>14    A    And then we -- I have to buy Bitcoin 15 myself and I have to turn it -- I have to put 16 that cash into Bitcoin so I can start doing 17 trading.</p> <p>18    Q    So you're trading Bitcoin?</p> <p>19    A    Bitcoin is the -- the -- the coin 20 that -- like, I would say, the parent coin that 21 we use, but we exchange it for other coins.</p> <p>22    Q    Okay.</p> <p>23    A    That will give us the opportunity to -- 24 you know, that is going to have a -- a best 25 return.</p>

<p>1 is that correct?</p> <p>2 A Well, I think it's both because they do 3 their own trading as well.</p> <p>4 Q Let me make -- let me get a little bit 5 more clarity here.</p> <p>6 If you're in the Founders Circle, 7 you're attending classes with you and you were 8 showing them your trades; is that right? That's 9 the whole point.</p> <p>10 A Correct. Yes, ma'am. But they had 11 their own -- how do I say it? They copied those 12 trades into their own personal account.</p> <p>13 Q Are they also giving you money to 14 trade?</p> <p>15 A The packages -- the loan packages 16 that -- that we mentioned.</p> <p>17 QOkay. So, the Founders Circle is 18 separate from the loan packages that we talked 19 about before?</p> <p>20 A It's the same. It's the same. This 21 was just a -- it was kind of like a -- a 22 different class that we established to have more 23 like a, I would say, VIP access to different 24 coins, but it was not -- not -- nothing different 25 than the -- than the loan.</p>	<p>Page 51</p> <p>1 the beginning of -- if I remember, I believe it 2 was 2021, beginning of 2021, but it was -- it was 3 not for a continuous. It was like a special 4 class pretty much.</p> <p>5 Q Excuse me. When did you stop teaching 6 the Founders Circle classes?</p> <p>7 A I don't -- I'm trying to remember. Let 8 me -- I believe it was, like, March of 2021. I -- 9 I don't remember exactly the date though.</p> <p>10 QOkay. On the -- the first page of this 11 exhibit you also have Aaron Fajardo marked down 12 with FC 2. What is FC 2?</p> <p>13 AOkay. FC 2, that's a -- pretty much a 14 second -- like, FC 1 and FC 2 were done in -- in 15 March. It was like kind of -- FC 2 was another 16 training. We did FC 1. Then we did FC 2, but 17 they both ended in like March 2021.</p> <p>18 QOkay. Explain what FC 2 was and how 19 it's different from FC 1.</p> <p>20 ANo. It is the same thing. FC 1 was 21 kind of like a seminar or training session that 22 we did. When that ended, then we started FC 2. 23 That's just Founders Circle second -- I don't 24 know how to explain it. It was like a -- a 25 second class pretty much.</p>
<p>1 Q Okay. I'm still confused. So, you 2 have to help me out here.</p> <p>3 A No problem.</p> <p>4 Q The Founders Circle it's my 5 understanding had access to you and your 6 expertise. And that --</p> <p>7 A Personal level. I'm sorry, ma'am.</p> <p>8 Q Yeah. Mr. Chavez, just let me finish.</p> <p>9 The Founders Circle was a different 10 class because it had access to you and your 11 expertise, but then, of course those students 12 could also do the loan packages to the company; 13 is that right?</p> <p>14 A That is correct. Yes, ma'am.</p> <p>15 Q Okay. But you could do the loan 16 packages to the company without being in the 17 Founders Circle, correct?</p> <p>18 A Correct. Yes, ma'am.</p> <p>19 Q And if you were in the Founders Circle 20 was there anything -- anything different about 21 your loan?</p> <p>22 A No. No. No. I mean, there was 23 nothing different about the loan. Actually, the 24 Founders Circle, if I recall it, we did that -- 25 we never offered that any longer. It was just</p>	<p>Page 52</p> <p>1 Q Okay. So, it was the same thing as 2 Founders Circle 1. It was just the second 3 version of it?</p> <p>4 A That is correct. Yes, ma'am.</p> <p>5 Q Okay. And these classes lasted how 6 long?</p> <p>7 A I believe both of those were -- we were 8 not giving those classes after March of 2021.</p> <p>9 Q Okay. And they started in January of 10 2021. So, three months?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay.</p> <p>13 MS. HARRIS: Can we go to page nine of 14 the exhibit.</p> <p>15 Q Do you see that, Mr. Chavez?</p> <p>16 A Yes, I do.</p> <p>17 Q Okay. There's -- at the very bottom 18 there's a student or investor named Adrian Vargas 19 VIP. Can you explain what VIP signifies?</p> <p>20 A Yes, ma'am. Definitely. VIP was that 21 they could have the opportunity to -- to make a 22 little bit of gains on the -- on the loan, but 23 that -- that -- I would say, after -- if I recall 24 it, after June -- June? June, July 2021, it was 25 no longer available.</p>

<p style="text-align: right;">Page 55</p> <p>1 Q If I'm a VIP -- strike that.      2 When you say bigger returns, explain      3 that.      4 A On the -- for instance, like the      5 example that you gave me on the \$100.00, correct?      6 Let's say that I'm doing the trading with those      7 \$100.00. Let's say the opportunity to -- first      8 of all, we never guaranteed any returns, but      9 let's say the opportunity was to, I don't know,      10 make a, let's say, \$20.00 with the regular loan      11 example. This one -- like, for instance, instead      12 of the company, you know, keeping a -- a -- a      13 higher gain, the company would give a little more      14 to the student.      15 Q Explain that more. When you said, The      16 company would give a little bit more. Help me      17 understand what that means.      18 A Okay. So, let's say the -- let's      19 say -- let me just make you an example. Let's      20 say I did the trading with \$100.00 and with the      21 regular program we made \$20.00 and the company      22 kept -- I'll just give you an example. The      23 company kept \$5.00 and the student kept \$15.00,      24 okay. The VIP would have -- the -- you would      25 have the opportunity to make, let's say, \$17.00</p>	<p style="text-align: right;">Page 57</p> <p>1 in a web chat?      2 A That was in -- in person.      3 Q Okay. And so, if I'm an investor and I      4 want to be a VIP investor, how do I qualify?      5 A Okay. One thing that we -- that we      6 always stay away from an investor because we      7 don't want to confuse people that they are -- you      8 know, like, we don't want to mislead people in      9 any way. And that's why we -- for instance, if we      10 would get a loan and we never -- we promised, you      11 know, on a return, it's hard to -- to say that,      12 you know, no one. It's zero to any percentage,      13 but we never --      14 Q Okay.      15 A We've never made those claims like      16 that.      17 Q Let me rephrase. If I am a person who      18 wants to give you a loan and I want to be a VIP,      19 how do I qualify?      20 A We no longer had offered that I believe      21 since July of 2021.      22 Q I understand, Mr. Chavez, but before      23 July of 2021 how would I have qualified?      24 A Okay. I'm sorry, I didn't understand      25 your question.</p>
<p style="text-align: right;">Page 56</p> <p>1 and the company would give -- keep \$3.00 as an      2 example. I'm just giving you an example here so      3 you can understand.      4 Q Okay. Where are these terms --      5 where -- where would you put these terms? How      6 would -- how would you make an investor      7 understand that you were getting bigger returns      8 from them?      9 A We didn't necessarily tell them as far      10 as -- could you rephrase that question, please.      11 Q Sure. That was a bad question. That's      12 my fault.      13 How did you communicate to VIP      14 investors the types of returns that they were      15 going to get?      16 A Well, one -- one thing that we -- we      17 always make clear to them that it's -- the crypto      18 market is very hard. It's very volatile, but you      19 know, because of our experience, because -- you      20 know, that they will have the opportunity to --      21 but -- to make a little better returns than --      22 than -- but we -- we never give exactly what --      23 what we are going to get, you know. It's just a      24 little hard to predict.      25 Q Would you tell them that on the phone,</p>	<p style="text-align: right;">Page 58</p> <p>1 Okay. No. The way we would -- you      2 know, kind of like with the Founders Circle, they      3 had the opportunity to have access to my trades      4 and -- and pretty much me giving them an idea of      5 what I was doing to -- to generate income, a VIP      6 had similar access to that. So, it we would kind      7 of -- so those were some benefits of being a VIP,      8 have better access to our trades.      9 Q Okay. Did a VIP have to give a minimum      10 loan?      11 A No, ma'am.      12 Q Okay. So you could be a VIP with      13 \$5.00?      14 A There was no minimum.      15 Q Okay. And this is a question for all      16 of the loan packages. Was there a minimum that a      17 person needed to loan you?      18 A Well, because of the crypto space, the      19 way it's established, and this is where my      20 co-partner Eduardo is the one that came with this      21 idea of, you know, to establish a minimum of      22 \$1,000.00.      23 Q A minimum of \$1,000.00, okay.      24 A That is correct. Yes, ma'am.      25 Q So, if I'm a person who wants to give</p>

<p style="text-align: right;">Page 59</p> <p>1 you a loan and I want to be a VIP before 2020 --      2 or before July 2021, the benefit of the VIP      3 status was you would get access to your trades      4 and get bigger returns; is that correct?</p> <p>5 A Yeah. I -- I wouldn't necessarily call      6 it bigger returns, but they have the opportunity      7 to get better returns.</p> <p>8 Q Okay. Do you have any idea of your      9 average return for your VIP customers?</p> <p>10 A It's just -- it varies. I wouldn't --      11 I wouldn't be able to give you an exact      12 percentage.</p> <p>13 Q Do you have any records where you --      14 where you kept your returns for your customers?</p> <p>15 A I believe we do. I will get with my      16 attorney so we can get those records for you.</p> <p>17 Q Okay. Yes. That would be responsive      18 to the subpoena.</p> <p>19 Okay. Let's move on.</p> <p>20 You previously said with the founder      21 classes that you were the one actually making the      22 trades and you would help them out. And that's      23 why this was kind of an opportunity to get bigger      24 returns; is that correct?</p> <p>25 A It was an opportunity for them to get,</p>	<p style="text-align: right;">Page 61</p> <p>1 did not come as an employee or any of the      2 company. He was just referred to -- to me as one      3 of the -- the person that I was -- helping me      4 open the accounts and stuff.</p> <p>5 Q Okay. Let me unpack that.</p> <p>6 How do you know John Fernandez?</p> <p>7 A Through another ex-employee of mine.</p> <p>8 Q And who is that?</p> <p>9 A His name is Emerson, Emerson Vascone.</p> <p>10 He told me that -- that, you know, he had a      11 friend that did trading, that he was doing very      12 well, that he was teaching classes and -- and,      13 you know, that -- why didn't I take an      14 opportunity for him to try out and -- and see how      15 he can help us with -- with our trading, but when      16 he joined he was doing ForEx, not crypto. I      17 myself focus more on crypto than ForEx.</p> <p>18 Q Okay.</p> <p>19 A And, you know, at the beginning I -- I      20 said no, but then I'm like, okay, you know, we      21 can give opportunity for people to -- you know,      22 to -- or -- or for the company itself to generate      23 a greater income. Let's -- we give him the      24 opportunity to come not as an employee just to      25 test. But I realized through another student of</p>
<p style="text-align: right;">Page 60</p> <p>1 you know, better calls on -- on different coins      2 that were coming out, yes, ma'am.</p> <p>3 Q Okay. Who else at CryptoFX was doing      4 trading?</p> <p>5 A Eduardo, my co-partner.</p> <p>6 Q Was anyone else at CryptoFX doing      7 trading?</p> <p>8 A Yes, ma'am, but not -- not on -- on the      9 students accounts because of the risk involved.</p> <p>10 Q Okay. So, after Eduardo died you were      11 the only one doing the trading; is that correct?</p> <p>12 A Yes, ma'am.</p> <p>13 Q Okay. Were you also the only one doing      14 the trading on the loan packages?</p> <p>15 A Eduardo as well.</p> <p>16 Q Okay. Was anyone else doing trading on      17 the loan packages?</p> <p>18 A Not on the loan packages, no, ma'am.</p> <p>19 Q Okay.</p> <p>20 A We -- I -- I tried one person to start,      21 but it didn't work out. There was not the      22 mindset that -- that I had for the academy and      23 myself.</p> <p>24 Q Who was that person?</p> <p>25 A That person is John Fernandez which he</p>	<p style="text-align: right;">Page 62</p> <p>1 mine one day that he came to my office and saw      2 that he was there in the U.S., his uncle      3 actually, he told me a few things that John had      4 done in the past. I no longer wanted to be      5 associated with that person.</p> <p>6 Q Okay. What was John Fernandez doing      7 for CryptoFX?</p> <p>8 A I gave him a portfolio -- not a      9 portfolio, but a -- an account, a ForEx account,      10 to do trading.</p> <p>11 Q When was this?</p> <p>12 A It was -- I don't remember. Like,      13 January 2021. January, February 2021, around      14 that -- that time.</p> <p>15 Q So, you gave him an account to do      16 trading. Whose money was he trading?</p> <p>17 A The company's money.</p> <p>18 Q Okay. So, the loans that people were      19 giving you to trade?</p> <p>20 A That is correct. Yes, ma'am. Not the      21 whole -- I mean, just -- just a fraction.</p> <p>22 Q Approximately how much money did you      23 give him to trade?</p> <p>24 A Anywhere from 200,000 to \$400,000.00.</p> <p>25 Q Is that total or is that per month?</p>

<p style="text-align: right;">Page 63</p> <p>1 A Well, what happened was, like, he would 2 ask me to put in an account 200,000 or -- or 3 300,000 and we would trade with that. And if we 4 got profit -- if it would get profit from that we 5 will take out. And I gave him part and part 6 would be for the company.</p> <p>7 Q Can you repeat that last part, Mr. 8 Chavez?</p> <p>9 A Okay. For instance, let's say I gave 10 him \$200,000.00, and the profits were, I don't 11 know, 400,000, part of those 400,000 was for the 12 loans, the company's loans, and part was for 13 John. Like a fee. Like a commission.</p> <p>14 Q How much commission did Mr. Fernandez 15 earn?</p> <p>16 A Let's see. I don't have the exact 17 numbers to be honest with you. I don't, so. But 18 it was at least over \$500,000.00, \$600,000.00.</p> <p>19 Q Okay. I want to go back and ask my 20 question again about how much money was he 21 trading for the company if he earned a 22 \$500,000.00 commission.</p> <p>23 A It was -- the thing is that we -- since 24 it wasn't his account that we would put in and 25 take out, I would say it was a total from 400</p>	<p style="text-align: right;">Page 65</p> <p>1 A The thing with -- with -- with the -- 2 with the Bitcoin itself, on the broker -- on 3 the -- on the account, it's -- you can't open a 4 company account, you know. So, it's -- it's the 5 company's account, so. Yes, ma'am.</p> <p>6 Q I didn't understand your answer.</p> <p>7 A Okay. Like, for instance, when you 8 open a -- a income -- a Bitcoin wallet, it 9 doesn't say the company's name, but pretty much 10 it is the company's account.</p> <p>11 Q So, you paid him with Bitcoin from this 12 wallet?</p> <p>13 A Correct.</p> <p>14 Q And this is the same wallet that you 15 are trading the loan money through; is that 16 correct?</p> <p>17 A That -- that is correct. Yes, ma'am.</p> <p>18 Q Okay. So, it's all one wallet?</p> <p>19 A No. It was like -- it was two or three 20 different wallets I would say. Because of -- 21 because of hacking and because of things like 22 that you can't have everything in one wallet. 23 It's too risky.</p> <p>24 Q Who had access to these wallets?</p> <p>25 A Eduardo and myself.</p>
<p style="text-align: right;">Page 64</p> <p>1 to -- over 400,000, but not more than 600,000. 2 I -- I don't have the exact numbers to be honest 3 with you at this point.</p> <p>4 Q What account was he using?</p> <p>5 A It's in a broker called KOT 4X.</p> <p>6 Q Do you have the records from that 7 account?</p> <p>8 A Yes, ma'am. I can definitely obtain.</p> <p>9 Q Okay. Those would be responsive to our 10 subpoena.</p> <p>11 Do you have the records for the amount 12 of money that you paid to Mr. Fernandez as 13 commission?</p> <p>14 A That's one of the tasks that I was 15 searching for because on the -- I believe we -- 16 we save information or documentation from some, 17 but I wanted to get an exact amount. That's 18 something that I can definitely get with my 19 attorney and -- and figure out an exact amount 20 and mention all of that.</p> <p>21 Q Okay. How did you pay Mr. Fernandez 22 commission?</p> <p>23 A Through Bitcoin and a check.</p> <p>24 Q Was it through the company's Bitcoin 25 account or through your Bitcoin account?</p>	<p style="text-align: right;">Page 66</p> <p>1 Q Okay. So, you paid him through the 2 company's wallet and via check?</p> <p>3 A That is correct. Yes, ma'am.</p> <p>4 Q Okay. He started with you in January 5 of 2021. Approximately how many -- or, excuse 6 me. Approximately how much revenue did he 7 generate through his trading?</p> <p>8 A I don't have the exact -- and that's a 9 number that I do want to get to you, but I -- he 10 made over -- over 500 -- over \$600,000.00 he 11 made.</p> <p>12 Q Say that again, Mr. Chavez.</p> <p>13 A That's something that I want to get to 14 you, the exact number. I will definitely get 15 with Mr. -- with my attorney on that. But for 16 sure, for sure, it was more than 500 to 17 \$600,000.00.</p> <p>18 Q So, he made over \$600,000.00 in revenue 19 for the company; is that correct?</p> <p>20 A That is correct. Yes, ma'am.</p> <p>21 Q Okay. And he was paid \$500,000.00 in 22 commissions?</p> <p>23 A Yeah. No. No, 'cause we -- we -- 24 on -- on -- on that account, and I have the 25 records and everything, we made over \$1 million</p>

<p>1 in profits. And -- and that's why he got that 2 amount.</p> <p>3 Q Okay.</p> <p>4 A I'm talking about over time. Not -- 5 over the -- over the time that he was with us 6 that's what I mean.</p> <p>7 Q Let me restate my question.</p> <p>8 Over the time that he was trading for 9 CryptoFX, approximately how much profit do you 10 think he made for the company?</p> <p>11 A Over \$500,000.00.</p> <p>12 Q Okay.</p> <p>13 A Oh, you mean for the company or for 14 himself? I'm so sorry. I didn't understand your 15 question.</p> <p>16 Q I'll restate it.</p> <p>17 Over the time that he was trading for 18 CryptoFX approximately how much profit did he 19 make for the company?</p> <p>20 A Okay. Over \$1 million at the 21 beginning. And I will explain to you why in the 22 beginning or would you like me to say right now?</p> <p>23 Q Yes.</p> <p>24 A Okay. What happened was he started 25 trading and he started doing very well. That's</p>	<p>Page 67</p> <p>1 could start gaining back what he had lost. 2 Which, in reality, to me, as a company, we broke 3 even, you know. We didn't win or lose because of 4 the amount of money that I -- that I had given 5 him. But the reason why I decided not to 6 continue was because of the reputation that he 7 had. I didn't want that for our academy.</p> <p>8 Q Okay. When did he start losing money?</p> <p>9 A I would say February, March. I would 10 say February. End of February. I don't have -- 11 I don't have that exact -- I would have to check 12 the records on the VIP account.</p> <p>13 Q Okay. February of what year?</p> <p>14 A 2021.</p> <p>15 Q So, he only traded for a month?</p> <p>16 A It was a couple -- it was a couple of 17 months that he traded. Couple of months. 18 Three -- I don't have --</p> <p>19 Q Okay.</p> <p>20 A I don't have the dates that it 21 occurred. I will definitely get you that.</p> <p>22 Q Okay. Thank you.</p> <p>23 So, you initially gave him between 200 24 and 400 of the company's money. He at first made 25 a profit of a million or over a million and then</p>
<p>1 why he got the returns that -- I mean, his 2 commissions that he got, but then he started 3 losing money. And he started losing -- what I 4 realized when he started losing was that -- 5 that's the reason why his own uncle came and told 6 me to be careful with him and -- was because he 7 high -- high risk taker and that's not the way we 8 operate.</p> <p>9 And -- so, he started losing money. And 10 then at the time, that's why his uncle came and 11 told me, Hey, this guy, he's my -- my nephew, and 12 I put money with him and he never paid me. He 13 never paid my son. And that's when John started 14 getting more -- started asking me for money to 15 put in -- in the account and I didn't want to put 16 in more money because I didn't want to have 17 somebody with that background in our company.</p> <p>18 And at that time then he -- he gave me 19 a check himself from EI Generator, which was the 20 company that he was operating with, saying, you 21 know, well, put that in the account and you put 22 in more and -- so, he put in -- he wanted to make 23 up for what he had lost, you know. So, to him -- 24 I believe it was about a \$40,000.00 check. And 25 he wanted me to put that in the account so he</p>	<p>Page 68</p> <p>1 he starts losing money; is that correct?</p> <p>2 A That is correct. Yes, ma'am.</p> <p>3 Q Do you have an estimate of how much 4 money he lost?</p> <p>5 A Well, he -- he lost -- he lost, like, 6 the profits that we had there, but I focus myself 7 not to lose the money for the peoples loans. In 8 other words, even though he made profits for the 9 company, you know, like, those profits that were 10 made were flushed off because of what he lost, 11 you know.</p> <p>12 Q I -- I don't. I want to understand, 13 but I'm not sure I understood your answer.</p> <p>14 A Okay. So, let's say, that I gave John 15 \$400,000.00 and he made, let's say, \$1.3 million, 16 some part of that went to him as a commission and 17 the other part was sent to the company for the -- 18 for the loans, right. I mean, then -- then he 19 started losing. So, the money that was in the 20 account was lost.</p> <p>21 So, that's when he said, you know what, 22 let me give you a check -- the market was crazy, 23 let me give you a check for -- for -- so you can 24 put in money in that account, but it was a 25 \$40,000.00 check. And then he started doing the</p>

<p>1 A Oh, okay.</p> <p>2 Q -- trades being placed?</p> <p>3 A No, pretty much the -- the VIP against 4 regular, the VIPs, they have the access to seeing 5 my trades, some of that trades, so they can put 6 it on their own portfolio as well. Everybody has 7 their own portfolio as well or their own accounts 8 that they manage.</p> <p>9 Q But you were doing the trading for some 10 of those VIP investors?</p> <p>11 A Yes. The people that loaned us the -- 12 yes. That did the loans, yes.</p> <p>13 Q Okay. So, for the people that gave you 14 the VIP loans and the people that gave you the 15 regular loans, how were the trades different?</p> <p>16 A The trades were the same trades. 17 There's nothing different. The thing is that on 18 the -- on the VIP, the reason why it was called 19 VIP was because they had access to me. They had 20 access to the trades that I call to generate 21 income for the company.</p> <p>22 Q Okay.</p> <p>23 A On the other -- on the other ones, they 24 don't have access to that.</p> <p>25 Q Okay. So, if the trades weren't</p>	<p>Page 81</p> <p>1 have a opportunity for a greater return if the 2 other loan package executes the same trades?</p> <p>3 A Okay. One of the requirements I would 4 say, or perhaps requirements, on the VIP would be 5 to -- or for them to arrange -- to ensure that 6 they have their own accounts. They cannot just 7 be a VIP without their own accounts because we 8 wanted to give them the -- kind of the 9 person-to-person opportunity to -- to have access 10 to us.</p> <p>11 Q Okay.</p> <p>12 A More like a mentorship also.</p> <p>13 Q Okay. So, to qualify to be a VIP you 14 had to open up your own portfolio?</p> <p>15 A Yes, ma'am.</p> <p>16 Q Okay. Did you have to execute certain 17 trades?</p> <p>18 A Could you repeat that?</p> <p>19 Q Sure. Did you have to execute certain 20 trades?</p> <p>21 A At that time when -- I don't understand 22 the question, Ms. Harris. I'm sorry.</p> <p>23 Q Sure. When you had the VIP program and 24 a person wanted to be a part of the VIP program 25 and give you -- get a VIP loan package, to</p>
<p>Page 80</p> <p>1 different how could you guarantee the VIPs a 2 possibility of a better return?</p> <p>3 A Okay. Well, that -- like I said, Ms. 4 Harris, we never guarantee. You know, we could 5 say anywhere from zero to a certain amount, but 6 we never guarantee. But we knew -- I mean, I 7 knew that in -- the possible returns that we 8 could generate. And there -- at some point on 9 those trades the company had to give away profits 10 so they could pay a little more to the VIP.</p> <p>11 Q Okay. How could you tell the VIPs that 12 you were going to get a greater return than the 13 regular loan packages if the trades were the 14 exact same?</p> <p>15 A The thing is like on the other loans, 16 on the regular loans, even though they have their 17 own -- their own portfolio or an account 18 established, they don't have access to the trades 19 that we take. So, the potential on their own 20 portfolio is less.</p> <p>21 Q Let's say I gave you a loan and I don't 22 do any trading. I'm just giving you the loan and 23 I don't want to open up my own portfolio. And I 24 am saying, I want to be a VIP. I want to do the 25 VIP loan package. Why are you telling me that I</p>	<p>Page 82</p> <p>1 qualify you previously testified that they had to 2 open up their own portfolio, correct?</p> <p>3 A Yes, ma'am.</p> <p>4 Q Did they have to execute specific 5 trades in that portfolio?</p> <p>6 A Okay. Yes. I would -- I would help 7 them execute a particular trade. Of course I 8 would tell them -- ask them first. I cannot do 9 it without their permission, but I would help 10 them in their portfolio and, you know, do the 11 trades myself for them. And Eduardo as well used 12 to do that, help me assist them as well.</p> <p>13 Q Okay. So, every VIP on this -- on the 14 list that I showed you of your students had their 15 own portfolio and you helped them execute those 16 trades; is that right?</p> <p>17 A That is correct. The list -- that's -- 18 that's one -- that was one of the prerequisites 19 in order to be a VIP member.</p> <p>20 Q Okay. So, they had to do their own 21 individual trading; is that correct?</p> <p>22 A That is correct.</p> <p>23 Q Okay. I'm -- I'm still a little bit 24 confused as to if the trades in the regular 25 portfolio are the same as the trades in this VIP</p>

<p>1 portfolio, why would the VIP -- or, excuse me,      2 VIP group or portfolio, why would the VIP group      3 get bigger returns? Is it just because you're      4 helping them?</p> <p>5 A Okay. Let me -- let me ask -- let me      6 go back to the question that I -- the example      7 that I gave you.</p> <p>8 For instance, if you have -- if you      9 have \$100.00 and we make \$20.00 profit. The loan      10 was paid \$15.00. The company kept -- on the      11 regular the company kept \$5.00 as an example and      12 the loan kept \$15.00. On the VIP the loan would      13 keep \$15.00 and the -- or -- or, I'm sorry, the      14 loan would potentially keep \$17.00 and the      15 company would keep \$3.00.</p> <p>16 Q So, with VIPs you actually are      17 guaranteeing them a return because the company is      18 paying them, correct?</p> <p>19 A Not -- not that we guarantee, no. How      20 can I say? No, not guaranteeing, but the company      21 takes less profit on the VIP account.</p> <p>22 Q Okay.</p> <p>23 A Like, the final profit that you --      24 that -- that we get, we take a smaller portion      25 from it. We give more to the -- to the -- to the</p>	<p>Page 83</p> <p>1 A Yes, ma'am.      2 Q After you got their return and you took      3 a portion, would you tell them how much you took?      4 A No, ma'am.      5 Q Okay. So, they never really knew how      6 much their actual return was without your      7 deduction for commissions; is that right?      8 A That is correct. Yes, ma'am.      9 Q Okay.</p> <p>10 MS. HARRIS: Jamie, if you could pull      11 up Exhibit 12.</p> <p>12 (SEC Exhibit No. 12 was      13 marked for identification.)</p> <p>14 Q Mr. Chavez, take your time. Tell me      15 when you're ready to talk about this exhibit.      16 A Yes. That's pretty much a -- a      17 PowerPoint that Mr. Eduardo put together.      18 Q Okay. Explain to me what this      19 PowerPoint is.</p> <p>20 A That was a presentation that -- we were      21 doing a -- a PowerPoint presentation of a -- of      22 the academy and kind of the vision -- vision of      23 the company and the different ways that the      24 students could benefit.</p> <p>25 Q Did you participate in putting this</p>
<p>1 loan.</p> <p>2 Q Okay.</p> <p>3 A Am I -- did you understand?</p> <p>4 Q I do.</p> <p>5 A Okay.</p> <p>6 Q On average, how much profit would the      7 company take from a regular loan package?</p> <p>8 A It's hard -- it's hard to say a      9 specific number. I wouldn't be able to give you      10 that exact number.</p> <p>11 Q Okay. On average, how much would the      12 company take a VIP loan package?</p> <p>13 A Same. Same. It's a little difficult      14 to give you an exact amount or an average.</p> <p>15 Q Do you have records that establish how      16 much the company took or how much the company      17 took off of each of these loan packages?</p> <p>18 A I would have to go back and -- and see      19 exactly all the records to get that information,      20 yes.</p> <p>21 Q You previously testified that you would      22 verbally speak to potential persons who were      23 giving you loans about the commissions before you      24 signed the contract -- before they signed the      25 contract; is that correct?</p>	<p>Page 84</p> <p>1 together?</p> <p>2 A Somewhat, but mostly it was Mr.      3 Eduardo.</p> <p>4 Q Where was this PowerPoint presented?</p> <p>5 A I -- this PowerPoint -- particular      6 PowerPoint was presented in -- I believe in some      7 of the live presentations that we did. I don't      8 exactly recall exactly when we used it, but it      9 was -- it was to show people who we are and what      10 we do.</p> <p>11 Q When you say live presentations explain      12 what you mean.</p> <p>13 A Okay. You know, like -- for instance,      14 like, when we do a night trading session or      15 training, you know, how I told you that we      16 started in a restaurant?</p> <p>17 Q Yes.</p> <p>18 A Okay. So, just to give an -- an      19 example of what the company was.</p> <p>20 Q Okay. So, this would be presented at      21 the classes; is that correct?</p> <p>22 A Not all the classes. Just -- this      23 presentation we didn't -- I believe we didn't use      24 it so much.</p> <p>25 Q Okay.</p>

<p>1 A Mr. Eduardo was more involved in 2 this -- this area more than me. 3 Q Okay. I heard you say that this was 4 presented at some classes, but not at all 5 classes; is that correct? 6 A Yes, ma'am. 7 Q Okay. Where else was this presented? 8 A I believe -- I believe a few of the 9 students have this as well. 10 Q How? 11 A I'm sorry? 12 Q How? 13 A It was sent to them via WhatsApp. 14 Q Do you know which students? 15 A No, ma'am. I wouldn't be able to know 16 which students. 17 Q Okay. When it was sent via WhatsApp to 18 certain students was it part of a promotional 19 material or was it to solicit new students? What 20 was the purpose of sending it to the students? 21 A Just to present to the students of who 22 we are, what we are. No, it was not to -- to -- 23 with the purpose -- any purpose to obtain new 24 students. It was just to show them who we are. 25 Q Okay.</p>	<p>Page 87</p> <p>1 pretty much just to teach people on -- on -- 2 on -- about the Blockchain. I remember it 3 explained about Blockchain and introduction to 4 Blockchain. What is Bitcoin and kind of the 5 different packages I believe. 6 Q Okay. 7 MS. HARRIS: Let's go to page ten. 8 Q So, this is in Spanish. And so, I'm 9 going to rely on you and -- and your skills, 10 which are better than mine, to tell me what this 11 table says. 12 A Okay. This table just gives an 13 illustration on possibilities -- as it says, 14 potential. On potential possibilities on -- as 15 far as kind of earnings that can be obtained. 16 Q Okay. So, here you're telling 17 potential people who might give you a loan how 18 much they can earn if they give their money to 19 you; is that correct? 20 A That is correct, but it's -- it's based 21 on what I'm saying, and like I said, Eduardo is 22 the one that put this together, it's not 23 guaranteed. It's a -- it's a potential. 24 Q Okay. Can you tell me -- there are 25 four columns. Can you tell me what those columns</p>
<p>1 A What we do. 2 Q Was this ever put on line? 3 A No. Not -- not that I recall. No, 4 ma'am. 5 Q Okay. So, this was never put on 6 Facebook? 7 A No, ma'am. 8 Q It was not put on Instagram? 9 A No, ma'am. 10 Q Okay. So, this is in Spanish. Let me 11 ask, is there an English version of this? 12 A I will double check for you -- 13 Q Okay. 14 A -- if we do. I will definitely. 15 Q If there is, that would be responsive 16 to our subpoena and we -- we would ask that that 17 be produced. 18 What is the -- if you could summarize 19 this presentation, what -- what would you say it 20 does? Other than kind of telling you what they 21 do -- you know, what CryptoFX does and everything 22 else like that, what else -- what else is in 23 here? 24 A It's pretty much, if I remember this -- 25 this was a -- this is a -- you know, this is</p>	<p>Page 88</p> <p>1 each say? 2 A Okay. Package. 3 Q Yeah. 4 A It says, Gain. Like, potential gain, 5 on a monthly basis, on a three-month basis and on 6 a six-month basis. 7 Q Okay. So, on this table it appears to 8 say that, for example, if you provide a loan of 9 \$3,000.00 you'll gain 360 on a monthly basis, 10 1,350 on a three-month basis, and 2,700 on a 11 six-month basis; is that correct? 12 A That is correct. And -- but it -- it 13 says it's a potential. 14 Q Okay. 15 A It's not guaranteed. It's a potential 16 amount that you can obtain. 17 Q Okay. And that's the amount of return; 18 is that correct? 19 A That is kind of an average potential 20 return, correct. 21 Q And is this meant to be in U.S. 22 dollars? 23 A It is in -- in Bitcoin, but it is 24 explained in the -- in the illustration itself it 25 is explained in U.S. dollars.</p>

<p>1 Q Okay.</p> <p>2 A It's in Bitcoin. That's why it doesn't have the dollar sign.</p> <p>4 Q Well, let me make clear for the record, this table illustrates -- I see the coins, but the numbers are U.S. dollars; is that correct?</p> <p>7 A Correct.</p> <p>8 Q Okay. What was the basis of putting this slide together?</p> <p>10 A Based on what I know and, like I said, my co-partner Eduardo is the one that -- he had a marketing degree. He's the one that put this together. He -- he's the one that was familiar with it. The -- the purpose was get, like, an idea of the potentials of gains that -- that we could obtain.</p> <p>17 Q Let me ask a better question. What was this slide based on? Was it based on your average returns? Was it based on -- what was it based on? What are these numbers based on?</p> <p>22 A Oh, it -- it was based on average -- on average returns I would say. But, like I said, it was not a guaranteed return.</p> <p>25 Q I understand, but you're telling the</p>	<p>Page 91</p> <p>1 different levels -- up to kind of different 2 levels, this was put together more as referral 3 programs for students.</p> <p>4 Let's say that if -- and this is just 5 an example, if you referred a student, like, 6 let's say, Ms. Harris, you referred a student, 7 where it says level one right there, you -- you 8 as a referrer -- referee would make seven percent 9 which is -- that is based on the -- you know, 10 where it says Bono Directo with the Bitcoin sign?</p> <p>11 Q Yes.</p> <p>12 A Okay. It's based on an example of \$1,000.00 package.</p> <p>14 Q Okay.</p> <p>15 A So, like, you refer me to the academy 16 you make \$70.00.</p> <p>17 Q Okay.</p> <p>18 A And then, the second level, let's say 19 that I told Mr. John about the academy, but I 20 brought John to the academy, I made \$70.00, which 21 John is my -- the person that I referred, but 22 you, Ms. Harris, made \$30.00 and stop there.</p> <p>23 Q So there are two levels of referrals; 24 is that correct?</p> <p>25 A That is correct. Yes, ma'am.</p>	
<p>1 public that these are potential numbers that you can gain for them; is that correct?</p> <p>3 A Those are some potential numbers, correct.</p> <p>5 Q And is it based on previous performance?</p> <p>7 A Yes, ma'am.</p> <p>8 Q Okay. Okay. So, you're putting this slide together and you feel comfortable with these numbers because you've gotten these types of returns before; is that correct?</p> <p>12 A That is correct.</p> <p>13 Q Okay.</p> <p>14 MS. HARRIS: Let's go to page 33, please.</p> <p>16 Q Take some time to look, Mr. Chavez, and then let me know when you're ready.</p> <p>18 A Yes, I'm ready.</p> <p>19 Q What does this page describe?</p> <p>20 A This is a referral program. It's a -- we are not a multi-level marketing. So, when Eduardo was coming -- when he came up with this idea, like, where it says, we're -- it was, like, more like a -- I don't know how to say it. But you know the multi-level how they go, like,</p>	<p>Page 92</p> <p>1 Q When did the referral program start?</p> <p>2 A I'm trying to recall. I don't have any exact date, Ms. Harris, to be honest with you.</p> <p>4 Q Was it before or after last year?</p> <p>5 A I -- I don't recall, Ms. Harris. I will have to check.</p> <p>7 Q Okay. Is the referral program still in place?</p> <p>9 A Yes, ma'am. It is still in place, but we're no longer promoting this referral program now.</p> <p>12 Q Okay.</p> <p>13 A I mean, after -- after the subpoena took place and we no longer promoting.</p> <p>15 Q But it is still in place; is that correct?</p> <p>17 A That is correct. Yes, ma'am.</p> <p>18 Q Okay. We'll come back to that.</p> <p>19 MS. HARRIS: If we could go to page 38, please.</p> <p>21 No. I -- I apologize, not page 38. 35, excuse me.</p> <p>23 Q Do you have it, Mr. Chavez?</p> <p>24 A Yes, ma'am.</p> <p>25 Q Great.</p>	<p>Page 94</p>

<p>1        Can you explain what page 35 is 2 showing?</p> <p>3        A Yes, ma'am. It says, Rangos De Avance. 4 This is when you are in the academy, this is like 5 ranks as far as you with the different students 6 would generate in -- in referrals. Like, for 7 instance, Rango Elite which is a ten, it's -- if 8 you -- if you refer \$10,000.00, let's say, in 9 different referrals in your team, you can make 10 \$250.00. And then, Elite 25 which is, in -- in 11 general sales and 25 -- it represents \$25,000.00, 12 you get \$500.00. And it moves on to Elite 500 13 which is 500,000 that you can generate up to 14 \$10,000.00.</p> <p>15      Q Is the point of these programs to get 16 more loans coming in?</p> <p>17      A No, ma'am. No, ma'am. This is just an 18 incentive that was -- that was created to -- at 19 the beginning, you know. Of course, we wanted to 20 promote the -- the idea, the academy itself, but 21 it was -- we didn't do any -- we never went on -- 22 on -- we never put this on Facebook. We never 23 put this on Instagram. We never put this on our 24 website itself at all to get more -- more 25 students.</p>	<p>Page 95</p> <p>1 on the sales obtained, correct. 2      Q Okay. When you're talking with 3 potential students -- excuse me, with potential 4 investors or people who are loaning you money, 5 did you -- would you tell them about the referral 6 program?</p> <p>7      A Honestly, I -- I didn't myself, no, 8 ma'am.</p> <p>9      Q Okay. So, you wouldn't say, Hey, 10 invest \$10,000.00 with me and if you get someone 11 else to invest you can get some money on top of 12 that as well?</p> <p>13     A No, ma'am. I -- I personally didn't. 14 No, ma'am.</p> <p>15     Q Do you know if others who worked for 16 your company did?</p> <p>17     A I -- I believe this was more introduce 18 if they are students or anyone. This was not 19 presented as a way to get more people to loan 20 money.</p> <p>21     Q Okay. But get more people involved; is 22 that right?</p> <p>23     A But I believe we didn't do incentives 24 until people were in the academy already. Not 25 to -- to get potential people with this</p>
<p>1      Q Yeah. I understand the slide wasn't on 2 line. What I want to understand is the actual 3 program.</p> <p>4      Am I correct in saying that the point 5 of the referral program was to get more people 6 involved and get more people loaning money; is 7 that correct?</p> <p>8      A Yes. I could say, yes, ma'am.</p> <p>9      Q Okay. So, what this slide shows is if 10 you had a certain number of people under you in 11 CFX or crypto -- well, if you had a certain 12 amount of people under you within the company and 13 those people were referring more people in, 14 you -- you would get cash; is that right?</p> <p>15     A As an incentive that you would get and 16 your team -- sales team you would get extra. It's 17 like a -- like a bonus.</p> <p>18     Q Okay.</p> <p>19     A It was -- it wasn't necessarily cash. 20 It was in Bitcoin. I don't know why Eduardo put 21 cash there, but it was in Bitcoin.</p> <p>22     Q Okay. So, people were incentivized to 23 talk to other people and get them to invest or 24 loan you money; is that right?</p> <p>25     A Correct. It was, you know, based on --</p>	<p>Page 96</p> <p>1 particular promotion or -- or -- how can you say 2 it? This particular page that you're showing.</p> <p>3      Q Right. And I thought -- strike that.</p> <p>4      You did previously testify that this 5 was an incentive to get people involved and get 6 people loaning more money. Am I -- am I right in 7 saying that?</p> <p>8      A Yes. Yes, ma'am.</p> <p>9      Q Okay. So, help me understand how 10 it's -- it's not getting people -- well, strike 11 that.</p> <p>12     Let's -- let's move on, but we're going 13 to come back to the referral program, but before 14 we move on, let me wrap this up.</p> <p>15     This slide is a -- is related to the 16 referral program that we were talking about on 17 the other slide, slide ten, correct?</p> <p>18     A Yes, ma'am.</p> <p>19     Q Okay. Was there any additional 20 incentives for people to bring in larger loans?</p> <p>21     A Not that I recall, ma'am.</p> <p>22     Q What I'm trying to figure out, Mr. 23 Chavez, is what's the different, like, 10, 25, 24 50, 100, 250 here is. Help me understand that.</p> <p>25     A This is just -- this is, like, in</p>

<p style="text-align: right;">Page 99</p> <p>1 sales, in your network team referral program that 2 we put together, this is just an example of -- 3 this was -- it was like a promotion that -- that 4 was done.</p> <p>5 Q Apologies, technical difficulties over 6 here.</p> <p>7 A No program.</p> <p>8 Q Okay. So, this was a promotion that 9 was done. And it seems like the more money that 10 you had on your team the more cash or Bitcoin you 11 could earn; is that correct?</p> <p>12 A Correct. Not -- not necessarily 13 presented like that, but yes, ma'am.</p> <p>14 Q Okay. So, weren't you incentivized to 15 bring in people with larger loans because then 16 you would get more money?</p> <p>17 A No. In a way, no, because I -- like I 18 said, this wasn't represented to them when they 19 were joining the academy.</p> <p>20 Q Repeat that answer again, please.</p> <p>21 A Like, we didn't focus on this to get a 22 student in the academy.</p> <p>23 Q Correct. But if this program was in 24 place and a person who loaned you money or a 25 student at the academy knew about it, wouldn't</p>	<p style="text-align: right;">Page 101</p> <p>1 And that company was -- I don't know if it was 2 closed or shut down or -- I don't know what 3 happened to the company. And we didn't want to 4 get people thinking that that was us, you know. 5 So, that's why we replace it as the marketing to 6 CFX Lifestyle.</p> <p>7 Q Okay. When did that happen?</p> <p>8 A 2021.</p> <p>9 Q So, same business, same business model; 10 is that right?</p> <p>11 A Correct. Yes, ma'am.</p> <p>12 Q Okay. Last question on this slide. Can 13 you tell me what the sentence at the very bottom 14 says?</p> <p>15 A I cannot read that.</p> <p>16 Q Yeah, take your time.</p> <p>17 A Sorry, I -- which one, Ms. Harris?</p> <p>18 Q Sure. It's the sentence starting with, 19 Las Perna.</p> <p>20 A Okay. Oh, okay. What it's saying is 21 in your sales team, like, in your sales team or 22 your referral network, okay, in your referral 23 network they're saying that -- okay, that you can 24 get up to the volume, but it's going to recover. 25 It's up to 40 percent, that's what it's saying.</p>
<p style="text-align: right;">Page 100</p> <p>1 that person be incentivized to bring in other 2 people who had large loans so they could 3 eventually say, Hey, I've brought in, you know, a 4 certain amount, you owe me \$5,000.00. And if I 5 brought in an even larger amount you might owe me 6 \$10,000.00; isn't that correct?</p> <p>7 A Yes, ma'am.</p> <p>8 Q Okay. So, they were incentivized to 9 bring in loans. And they were incentivized to 10 bring in larger loans because there were a larger 11 reward, correct?</p> <p>12 A Correct.</p> <p>13 Q Okay. All right. I would note that 14 this document says, CFX Lifestyle --</p> <p>15 A Correct.</p> <p>16 Q -- at the very bottom.</p> <p>17 A Correct.</p> <p>18 Q Okay. What is the relationship between 19 CFX lifestyle and CryptoFX?</p> <p>20 A Okay. What -- what happened was 21 that -- was that once we established the 22 CryptoFX, LLC there was a company, I believe it's 23 in Europe or something, that I -- that we 24 realized that was CryptoFX already. I don't know 25 if it was like -- I don't recall it right now.</p>	<p style="text-align: right;">Page 102</p> <p>1 Q Explain that please.</p> <p>2 A Okay. So, for instance, let's say that 3 you got me as a referral and I put in -- let's 4 say I put in a loan of \$10,000.00, correct. 40 5 percent of that is used for this particular 6 promotion or the -- the volume itself is 40 7 percent. It's 40 percent. It's 40 percent.</p> <p>8 Q I'm sorry, Mr. Chavez, I'm going to 9 have to ask you to explain that again. I don't 10 quite understand.</p> <p>11 A Okay. So, for instance, let's say 12 the -- the -- you refer me to the academy and I 13 put in a loan for \$10,000.00 as an example.</p> <p>14 Q Okay. Okay.</p> <p>15 A Or \$1,000.00. The volume that is 16 calculated for this particular promotion, \$40.00 17 of that is taken into consideration to this 18 promotion.</p> <p>19 Q \$40.00 or 400?</p> <p>20 A I'm so sorry, \$400.00. I'm so sorry, 21 yeah.</p> <p>22 Q So, \$400.00 would go to who?</p> <p>23 A No. No. It was not that it would go, 24 but it was calculated. The promotion is 25 calculated. \$400.00 out of those \$1,000.00. So,</p>

<p style="text-align: right;">Page 127</p> <p>1 Exodus or Blockchain on or around the first 2 week -- weeks of February 2021, correct? 3 A Yes, ma'am. Correct. 4 Q Okay. We're going to go to one more 5 document Exhibit 14 and then I'd like to break 6 for lunch if that's okay with everyone. 7 (SEC Exhibit No. 14 was 8 marked for identification.) 9 A Yes, ma'am. 10 Q Is everyone okay? 11 A Yes, ma'am. 12 Q All right. Mr. Chavez, can you confirm 13 that this is a true and correct copy of a student 14 contract for Rodolfo Hernandez Lopez? 15 A Yes, ma'am. 16 Q Okay. At the bottom there is a 17 signature for Mr. Lopez and there's also a 18 signature for a CryptoFX, LLC representative. 19 Whose signature is that? 20 A Yes, that -- that was Roberto Zabat. 21 Q Who is that? 22 A That's one of our -- our interns as 23 well. 24 Q And he had authorization to sign 25 documents?</p>	<p style="text-align: right;">Page 129</p> <p>1 Q I can. 2 A I'm hearing myself, that's why. Can 3 you hear me? 4 Q I can. You're cutting in and out, but 5 I can hear you, yes. 6 A I'm hearing -- I'm hearing myself. 7 THE WITNESS: I don't know if -- Mr. 8 John, are you on mute, sir? Can you put yourself 9 on mute? 10 MS. HARRIS: Mr. Sklar, if you could 11 put yourself on mute, please. 12 Q Mr. Chavez, can you hear me? 13 A I can hear you now. It's better. Mr. 14 John had his -- his microphone on that's why -- 15 Q Okay. 16 A -- I was hearing myself. 17 Okay. So, Mr. Roberto pretty much 18 he's -- he's like an employee for the company and 19 he's in charge of kind of overseeing the -- 20 the -- when the student join the academy. 21 Q Okay. So, he was based -- he was paid 22 based on the amount of people joining? 23 A Yes, ma'am. 24 Q Okay. Did he get higher commissions 25 based on --</p>
<p style="text-align: right;">Page 128</p> <p>1 A I believe Eduardo gave him 2 authorization, correct. 3 Q What is his role at CryptoFX? 4 A Just -- pretty much just -- not an 5 educator, but an employee. 6 Q As an employee what does he do? 7 A Pretty much show the people the 8 opportunity to joining the company and how they 9 can participate. 10 Q Okay. Did he get a salary? 11 A Commission. 12 Q Okay. Commission based on what? 13 A Based on production. 14 Q When you say production, do you mean 15 the amount of profits from trading? 16 A Pretty much on the -- the loans -- on 17 the loans itself, on the -- when -- when he -- 18 over here -- 19 THE WITNESS: Can you hear me, Mr. 20 John? 21 MR. SKLAR: I hear a little. 22 THE WITNESS: Can you put mute, please. 23 Okay. 24 MR. SKLAR: Sorry. 25 A Can you hear me now, Ms. Harris.</p>	<p style="text-align: right;">Page 130</p> <p>1 A I would say more a promoter, you know. 2 I'm sorry? 3 Q Okay. And -- okay. Let me finish my 4 questions, Mr. Chavez. 5 A Sorry. 6 Q Was he -- was he paid based on the 7 amount of money people would loan? 8 A On -- on what he did on -- that 9 particular aspect that he did, yes, ma'am. 10 Q So, is that a yes? 11 A Yes, ma'am. 12 Q Okay. Who's signature is -- whose 13 signed -- who -- who signed as the crypto 14 receiver here on this contract? 15 A I would -- I will have to double check, 16 Ms. Harris. 17 Q Okay. Who was authorized to sign as a 18 crypto receiver? 19 A Yes, that's -- that's where -- based on 20 the previous questions that you asked me, I'm 21 going to get you that information through my 22 attorney. 23 Q Okay. So, you -- you don't know who's 24 authorized to sign as a crypto receiver? 25 A Okay. Eduardo is the one that</p>

<p>1 established that. So, I will have to double 2 check on that.</p> <p>3 Q What was the purpose of having a crypto 4 receiver? What was the purpose?</p> <p>5 A The crypto receiver was the person 6 that -- that received those -- when the person 7 enrolled, the crypto receiver is the one that 8 when they send us the -- the Bitcoin, the crypto 9 receiver, he's in charge of acting as whether or 10 not 50,000 were received in Bitcoin or not.</p> <p>11 Q Can you restate that answer? I don't 12 think I understood it.</p> <p>13 A Okay. The crypto receiver is the 14 person, you know, when -- when the person 15 enrolled, when the money was paid, the crypto 16 receiver is supposed to ensure that those funds 17 were received.</p> <p>18 Q Okay. Did the crypto receiver -- let 19 me ask a better question strike that.</p> <p>20 How did the crypto receiver ensure that 21 the money was received?</p> <p>22 A He would call Eduardo or myself or -- 23 and ask us when -- whether the money was received 24 or not.</p> <p>25 Q Did he have a separate bank account</p>	<p>Page 131</p> <p>1 the -- in the office and the person ensures that 2 the money is received -- the funds are received.</p> <p>3 Q Okay.</p> <p>4 A With Eduardo or myself whether those 5 funds were received or not.</p> <p>6 Q Is this like an accountant?</p> <p>7 A Not necessarily, no, ma'am. But it -- 8 it had to be somebody in -- in accounting.</p> <p>9 Q Okay. So, they just kept track of 10 whether or not the money had cleared from the 11 separate investors?</p> <p>12 A They -- that particular person had to 13 check to see if those funds were received for 14 that particular loan.</p> <p>15 Q Okay. Okay. Okay. Let's move on.</p> <p>16 So, this contract here is slightly 17 different from the previous contract that we 18 talked about. When did you guys change format?</p> <p>19 A It was 2021 that we changed. I don't 20 recall the exact date.</p> <p>21 Q Do you know if it was spring or summer?</p> <p>22 A I would have to double check, Ms. 23 Harris.</p> <p>24 Q Okay. And, I'm sorry, Mr. Chavez, 25 because I know this is very sensitive, but when</p>
<p>1 where the loans were deposited?</p> <p>2 A Who?</p> <p>3 Q The crypto receiver.</p> <p>4 A No, ma'am.</p> <p>5 Q Okay. So, the crypto receiver's role 6 was to go out and talk to potential people who 7 were loaning and then call and make sure that 8 they actually -- you actually got the money?</p> <p>9 A Correct.</p> <p>10 Q Okay.</p> <p>11 A But the crypto receiver, it's -- he's 12 an employee of the company.</p> <p>13 Q Okay. I'm trying to understand how 14 he's different from a representative. Help me 15 understand that.</p> <p>16 A The -- the thing, Ms. Harris, is that 17 signature -- it's hard for me to answer that 18 question at this point because of the signature. 19 I don't know who the signature was.</p> <p>20 Q I understand, but I want to understand 21 what a crypto receiver does -- CryptoFX receiver 22 does in general. It doesn't matter who this is.</p> <p>23 A Okay.</p> <p>24 Q What does that role entail?</p> <p>25 A That -- that has to be a person in</p>	<p>Page 132</p> <p>1 did Eduardo pass?</p> <p>2 A It was end of -- of the year end of 3 2021.</p> <p>4 Q The reason -- the only reason I bring 5 that up is because, did he change this template 6 or did you?</p> <p>7 A No. He helped changed the template.</p> <p>8 Q Okay. Okay. Why did you change the 9 template?</p> <p>10 A You know, we -- we wanted to make it -- 11 how can we say it? Not only protect the 12 students, but protect the company itself. And 13 unfortunately, we did not get the advice from the 14 lawyer when this was created. We did it 15 ourselves. Of course the ideal thing would be to 16 get the advice from the lawyers to get this 17 changed, but we just thought that the first one 18 was too -- not as strong enough. Not to -- not 19 only to protect the students, but the company as 20 well.</p> <p>21 Q Okay. So, you wanted to change this -- 22 the contract to make it stronger to protect the 23 company?</p> <p>24 A And its students as well.</p> <p>25 Q Okay. So, the template's changed. Has</p>

<p>1 the business model changed?</p> <p>2 A No, ma'am.</p> <p>3 Q Okay. So, you're still giving out</p> <p>4 Bitcoin and you're still giving out returns for</p> <p>5 the people who are giving you loans; is that</p> <p>6 correct?</p> <p>7 A For the previous contracts we -- that</p> <p>8 is to say, we not promoting because we didn't</p> <p>9 know how things, you know, right now are.</p> <p>10 Especially when we get the subpoena. So, this</p> <p>11 was something that we -- we still have the same</p> <p>12 model.</p> <p>13 Q Okay. And, Mr. Chavez, it's important</p> <p>14 we don't talk over each other, but with this</p> <p>15 contract, am I correct in saying you have the</p> <p>16 same model in that you are still taking loans and</p> <p>17 investing in the cryptocurrency space and you're</p> <p>18 still doing classes; is that correct?</p> <p>19 A We're still doing the -- we're still</p> <p>20 paying out these loans and we still doing the</p> <p>21 classes as well, yes, ma'am.</p> <p>22 Q Okay. Mr. Lopez -- how was Mr. Lopez</p> <p>23 recruited?</p> <p>24 A Same, he was referred through somebody.</p> <p>25 Q And based on this contract is it my</p>	<p>Page 135</p> <p>1 you deposit checks for loans?</p> <p>2 A To one of the -- to the CryptoFX</p> <p>3 account or it was probably at the deposit to a</p> <p>4 CBT Group account.</p> <p>5 Q Okay. What is CBT Group?</p> <p>6 A CBT Group is -- it's a real estate</p> <p>7 company that -- that I was establishing for the</p> <p>8 academy as well.</p> <p>9 Q Okay. I'm going to come back to that</p> <p>10 later, but let me ask, if he signs up for the</p> <p>11 gold package and pays \$50,000.00, what does that</p> <p>12 buy him?</p> <p>13 A Again, that's the opportunity to -- you</p> <p>14 know, like, the program that we have for where we</p> <p>15 put the money to trade. And also with the gold</p> <p>16 package gives him access to more, like,</p> <p>17 one-on-one classes. More, I would say, VIP</p> <p>18 classes, more advanced classes.</p> <p>19 Q With the gold package is there an</p> <p>20 opportunity to get greater returns?</p> <p>21 A Not necessarily, no, ma'am.</p> <p>22 Q You previously said with the VIP</p> <p>23 classes that there was an opportunity to get</p> <p>24 greater returns.</p> <p>25 A Yes.</p>	<p>Page 137</p>
<p>Page 136</p> <p>1 understanding that Mr. Lopez was recruited by</p> <p>2 Juan Antonio Hernandez?</p> <p>3 A On the screen I cannot see it. Can you</p> <p>4 please move it up?</p> <p>5 That is correct. Yes, ma'am.</p> <p>6 Q And the indirect sponsor is Mr. Tursio,</p> <p>7 correct?</p> <p>8 A That is correct. Yes, ma'am.</p> <p>9 Q Okay. And Mr. Lopez gives you a loan</p> <p>10 of \$50,000.00; is that correct?</p> <p>11 A Yes, ma'am.</p> <p>12 Q On July 15th, 2021?</p> <p>13 A Yes, ma'am.</p> <p>14 Q Do you see on the far left a check</p> <p>15 number starting at 685?</p> <p>16 A Yes, ma'am.</p> <p>17 Q What does that signify?</p> <p>18 A That he probably -- what happened was</p> <p>19 that he gave a check for the \$50,000.00. That's</p> <p>20 what it means.</p> <p>21 Q Where would that check go?</p> <p>22 A I would have to -- I don't have that</p> <p>23 information, Ms. Harris. I will have to double</p> <p>24 check on that.</p> <p>25 Q Understood, but in general where would</p>	<p>Page 138</p> <p>1 Q Is the gold package different than VIP</p> <p>2 package?</p> <p>3 A Yes, ma'am. VIP was the -- they will</p> <p>4 have an opportunity to get higher returns. Gold</p> <p>5 package only means that you have access to more</p> <p>6 advanced classes.</p> <p>7 Q Okay. Okay. So, \$50,000.00 means he</p> <p>8 got the most advanced classes and he gave you a</p> <p>9 loan for \$50,000.00; is that right?</p> <p>10 A Yes, ma'am.</p> <p>11 Q Okay. And on October 15th, 2021 he got</p> <p>12 a return of \$22,500.00; is that right?</p> <p>13 A Yes, ma'am.</p> <p>14 Q Okay. And his direct sponsor got a</p> <p>15 payment -- referral payment of 3,500?</p> <p>16 A Yes.</p> <p>17 Q And then his indirect sponsor got a</p> <p>18 payment of 1,500?</p> <p>19 A Yes, ma'am.</p> <p>20 Q Okay. Let me ask you about where --</p> <p>21 well, let me step back.</p> <p>22 The payment of 22,500, was that in cash</p> <p>23 or would that be in Bitcoin?</p> <p>24 A I would have to check, Ms. Harris.</p> <p>25 Q Okay. You don't know, okay. But if it</p>	<p>Page 136</p>

<p style="text-align: right;">Page 139</p> <p>1 was in Bitcoin, as you testified previously, it 2 could have come from either Exodus or Blockchain. 3 correct?</p> <p>4 A Yes, ma'am.</p> <p>5 Q And so, when we pull the records we 6 would expect to see a payment to Mr. Lopez from 7 either Exodus or Blockchain from your crypto 8 wallet to him on or around October 15th of 2021, 9 right?</p> <p>10 A Yes, ma'am.</p> <p>11 Q Okay. So, \$50,000.00, get the check, 12 where -- you know, which account did you deposit 13 it to?</p> <p>14 A I will have to double check. I don't 15 have that information, Ms. Harris.</p> <p>16 Q And correct, I apologize, you said that 17 before.</p> <p>18 Help me understand in general where you 19 would deposit investor checks?</p> <p>20 A The CryptoFX account Maurizzio Group 21 account or CBT accounts as well.</p> <p>22 Q Why would you not deposit all of the 23 checks to the CryptoFX accounts?</p> <p>24 A Because the bank were closed account -- 25 accounts because of the CryptoFX work.</p>	<p style="text-align: right;">Page 141</p> <p>1 crypto and from the crypto to the Maurizzio 2 Group. I transferred monies within the accounts 3 and I didn't know you could do that. So, that's 4 why.</p> <p>5 Q So, they actually closed down your bank 6 accounts because you transferred money from your 7 personal to your business accounts?</p> <p>8 A Yes, ma'am.</p> <p>9 Q And that's what they told you?</p> <p>10 A Yes, ma'am.</p> <p>11 Q And when did you shut down that -- that 12 or when did that account shut down?</p> <p>13 A It was 2021, but I will have to double 14 check, Ms. Harris.</p> <p>15 Q Okay. And it was Cadence Bank where, 16 what branch?</p> <p>17 A Houston, Texas.</p> <p>18 Q Okay. Would you put all of the 19 sponsor -- or, excuse me. Would you put all of 20 the loan money in one pool account in the Cadence 21 Bank account?</p> <p>22 A I don't understand your question, I'm 23 sorry.</p> <p>24 Q Okay. So, before it was shut down, 25 would you put all of the money in the CryptoFX</p>
<p style="text-align: right;">Page 140</p> <p>1 Q Repeat your answer.</p> <p>2 A Because the banks when they look at 3 CryptoFX, the bank did not want it -- I don't 4 know, they -- because they -- because of the 5 crypto space, you know, as it is not affecting -- 6 I'm not going to say legal term -- I'm not going 7 to say that term, but the banks really don't 8 like, at least that's what they told me, crypto 9 accounts. So, that's why they shut down my 10 account.</p> <p>11 Q Who told you that?</p> <p>12 A Well, not necessarily the bank itself 13 tell me that, but that's when they closed down my 14 accounts when I was doing deposits into that 15 account.</p> <p>16 Q So, why do you think it was because it 17 was crypto?</p> <p>18 A I'm assuming it was. I don't have a 19 fact on that, but I -- I assumed it was that.</p> <p>20 Q Okay. What did they tell you about why 21 they closed down your account?</p> <p>22 A Because of Cadence Bank was just a bank 23 that I had. Unfortunately, I didn't manage the 24 accounts correctly because I didn't know. So, I 25 transferred money from my personal to -- to the</p>	<p style="text-align: right;">Page 142</p> <p>1 Cadence Bank account? Is that where it would go?</p> <p>2 A Yes, ma'am.</p> <p>3 Q Okay. So, prior to being shut down in 4 2021, and I understand you were going to get me 5 the dates, every single check or wire transfer or 6 cash that you received would go into the Cadence 7 Bank account for CryptoFX; is that right?</p> <p>8 A Yeah, Cadence or Lone Star, but Lone 9 Star same thing happened to me.</p> <p>10 Q Okay. When did you open up the Lone 11 Star Bank --</p> <p>12 A Same, in 2021.</p> <p>13 Q Did you open up the Lone Star Bank 14 because the Cadence Bank was shut down or these 15 are just two bank accounts that you had?</p> <p>16 A I believe I did it -- I don't know if I 17 did it afterwards -- I don't recall if I did it 18 afterwards or it was at the same time. I will 19 have to go and double check.</p> <p>20 Q Okay. Just letting you know, these 21 records are all responsive to our subpoena. So, 22 we would like to see these records. What I'm 23 trying to understand is where you deposited all 24 of this loan money that you were getting and if 25 you deposited it under a CryptoFX business</p>

<p>1 account.</p> <p>2 Is it your testimony today that every</p> <p>3 loan that you received was deposited under a</p> <p>4 CryptoFX bank account?</p> <p>5 A Yes, ma'am.</p> <p>6 Q Yes?</p> <p>7 A I'm so sorry. Could you repeat that</p> <p>8 again? I didn't --</p> <p>9 Q Sure.</p> <p>10 A Could you rephrase that? I'm sorry.</p> <p>11 Q Sure.</p> <p>12 Every loan -- every loan that you</p> <p>13 received, whether it was cash, a check, a wire,</p> <p>14 was it placed under a CryptoFX business account,</p> <p>15 whether that was at Cadence Bank or Lone Star</p> <p>16 Bank; is that -- is that correct?</p> <p>17 A Yes, ma'am.</p> <p>18 Q Okay. So, you never would take loan</p> <p>19 money and put it into a CBT Group account?</p> <p>20 A I will have to double check on that and</p> <p>21 get with my attorney and give you that</p> <p>22 information.</p> <p>23 Q Okay. Would you ever direct any people</p> <p>24 who were giving you loans to make out checks to</p> <p>25 the CBT Group?</p>	<p>Page 143</p> <p>1 real estate development account?</p> <p>2 A Yes, ma'am.</p> <p>3 Q Okay. How would you tell them this?</p> <p>4 A Pretty much when they were -- they</p> <p>5 were -- they would write a -- a check that's told</p> <p>6 to them at that time.</p> <p>7 Q Okay. So, you would have to kind of</p> <p>8 tell them this because they would write a check</p> <p>9 for CBT Group, correct?</p> <p>10 A Correct. Yes. Because they cannot</p> <p>11 just sign a check for a particular entity without</p> <p>12 knowing where it's going.</p> <p>13 Q So, am I correct in saying that you did</p> <p>14 direct some of the people giving you loans to</p> <p>15 fill out checks to the CBT Group, correct?</p> <p>16 A Now that you refresh -- yes. Yes,</p> <p>17 ma'am.</p> <p>18 Q Okay. And that money was used for</p> <p>19 Bitcoin trading?</p> <p>20 A Yes, ma'am.</p> <p>21 Q Okay. Okay. We are at 1:16. I -- I'm</p> <p>22 at a good place where I can stop. And I think we</p> <p>23 can go off the record now for lunch.</p> <p>24 (Whereupon, at 1:16 p.m., a luncheon</p> <p>25 recess was taken.)</p>
<p>Page 144</p> <p>1 A Not that I recall. I will have to</p> <p>2 double check with on that, Ms. Harris.</p> <p>3 Q Okay. If you were to put any loan</p> <p>4 money into the CBT Group account would you</p> <p>5 disclose that to the people who were loaning you</p> <p>6 money?</p> <p>7 A No, ma'am.</p> <p>8 Q Okay. If you were to put money into</p> <p>9 the Maurizzio Group account would you disclose</p> <p>10 that to the people who were loaning you money?</p> <p>11 A I would have to check on -- on the</p> <p>12 previous questions and -- and -- and this I would</p> <p>13 to -- I don't recall.</p> <p>14 Q Okay. You don't recall whether or not</p> <p>15 you told a person loaning you money, I'm going to</p> <p>16 put this into a CBT Group account? You don't</p> <p>17 recall that?</p> <p>18 A Most likely, yes. I would say yes to</p> <p>19 that -- to that question.</p> <p>20 Q Okay. You would tell them that you</p> <p>21 were depositing it into a separate account that</p> <p>22 was separate from CryptoFX?</p> <p>23 A Yes, ma'am.</p> <p>24 Q Okay. Would you tell them that CBT</p> <p>25 Group was a real estate firm or, excuse me, a</p>	<p>Page 146</p> <p>1 A F T E R N O O N S E S S I O N</p> <p>2 MS. HARRIS: We are back on the record</p> <p>3 at 2:13 p.m. Central Time.</p> <p>4 BY MS. HARRIS:</p> <p>5 Q Okay. Mr. Chavez, we left off talking</p> <p>6 about your bank account and the transfers of</p> <p>7 money between your bank accounts. I'd like to</p> <p>8 pick up on my questions there.</p> <p>9 So, Mr. Chavez, you mentioned that you</p> <p>10 had bank accounts under CryptoFX, Maurizzio</p> <p>11 Group -- Maurizzio Group, CBT, LLC; is that</p> <p>12 correct?</p> <p>13 A Yes, ma'am.</p> <p>14 Q Do you have any other entities in which</p> <p>15 you have bank accounts under?</p> <p>16 A That's the only -- those are the ones I</p> <p>17 have accounts under besides myself.</p> <p>18 Q So, that's it?</p> <p>19 A Yes, ma'am.</p> <p>20 Q Okay. Was there ever a CryptoFX -- or,</p> <p>21 excuse me, a Crypto Lifestyle bank account?</p> <p>22 A No, ma'am.</p> <p>23 Q Okay. I want to understand the flow of</p> <p>24 money once you got a loan. So, I'm going to ask</p> <p>25 you some questions and if you could walk me</p>

<p>1 through it that would be helpful.</p> <p>2 When a person gave you a loan for</p> <p>3 CryptoFX for you to put in the cryptocurrency</p> <p>4 space you previously testified that it would go</p> <p>5 into the CryptoFX account; is that correct?</p> <p>6 A Yes, ma'am.</p> <p>7 Q Okay. And that CryptoFX account got</p> <p>8 shut down in 2021?</p> <p>9 A Yes, ma'am.</p> <p>10 Q Okay. It got shut down because there</p> <p>11 were transfers between your -- your personal</p> <p>12 account and your business account; is that</p> <p>13 correct?</p> <p>14 A Yes, ma'am.</p> <p>15 Q Okay. Explain what you were</p> <p>16 transferring and why.</p> <p>17 A Pretty much since I on the -- on the</p> <p>18 crypto account itself, when I link a bank</p> <p>19 account, it needs to be under -- it needs to be</p> <p>20 under my name. So, that's why I did transfers</p> <p>21 for that. So, I didn't know that within the bank</p> <p>22 concept or the way monies is used you couldn't do</p> <p>23 that. So, they -- when I asked them, Why you</p> <p>24 close my account, that was the reason that they</p> <p>25 told me that.</p>	<p>Page 147</p> <p>1 A Because to -- like I said, to buy</p> <p>2 crypto I needed to put -- I don't know -- I don't</p> <p>3 recall exactly what was under my name, but I did</p> <p>4 it under my name to crypto or -- or it was from</p> <p>5 the business to me. I would have to double check</p> <p>6 on that to give you a better answer.</p> <p>7 Q So, you were trying to buy crypto for</p> <p>8 yourself and you were using the money from the</p> <p>9 business account to do that?</p> <p>10 A No. No, ma'am. Not for myself, for</p> <p>11 the company.</p> <p>12 Q Why didn't you use the company account</p> <p>13 to buy the crypto?</p> <p>14 A Because like when you link an account</p> <p>15 to an exchange you cannot -- you cannot have that</p> <p>16 in the -- I -- I -- I had to do it like that -- I</p> <p>17 had to understand really what I did. I don't</p> <p>18 have -- like I said, I don't want to say things</p> <p>19 that is not -- I would have to get more</p> <p>20 information on that and really give you a</p> <p>21 clarified answer on that.</p> <p>22 Q You previously testified that there</p> <p>23 were several Bitcoin wallets --</p> <p>24 A Yes, ma'am.</p> <p>25 Q -- is that correct?</p>
<p>1 Q Help me understand a little bit more.</p> <p>2 You had the CryptoFX account at Cadence and then</p> <p>3 you had a personal account at Cadence, right?</p> <p>4 A Yes, ma'am.</p> <p>5 Q And you were transferring money between</p> <p>6 the two, correct?</p> <p>7 A Yes, ma'am.</p> <p>8 Q Were you transferring money from the</p> <p>9 business account to the personal account?</p> <p>10 A I don't recall that information, Ms.</p> <p>11 Harris. I would have to double check on that.</p> <p>12 Q Okay. What did they tell you that you</p> <p>13 couldn't do? Please explain.</p> <p>14 A That I could not do that. That I</p> <p>15 cannot transfer from the business to the personal</p> <p>16 or from the personal to the business, that's what</p> <p>17 it is.</p> <p>18 Q Okay. How often were you making</p> <p>19 transfers?</p> <p>20 A Not -- not often. It was just a -- a</p> <p>21 couple of transfers, but I guess in their</p> <p>22 system -- in the back office system that put in</p> <p>23 a -- a flag to their system and -- that I</p> <p>24 couldn't do that.</p> <p>25 Q Why were you making transfers?</p>	<p>Page 148</p> <p>1 A Yes, ma'am.</p> <p>2 Q How many Bitcoin wallets were there?</p> <p>3 A I believe it's -- it was four.</p> <p>4 Q Were these linked to the Cadence</p> <p>5 business account?</p> <p>6 A No, ma'am.</p> <p>7 Q Where were these linked to?</p> <p>8 A I have to check it was -- if it was</p> <p>9 linked to my personal account, but I would have</p> <p>10 to double check on that.</p> <p>11 Q Let me make sure I understand your</p> <p>12 testimony. Were these four Bitcoin wallets</p> <p>13 linked to your personal Cadence account?</p> <p>14 A No, ma'am.</p> <p>15 Q Were these Bitcoin wallets linked to</p> <p>16 another personal account?</p> <p>17 A No, ma'am.</p> <p>18 Q Where were these Bitcoin wallets linked</p> <p>19 to?</p> <p>20 A I would -- like I said, I would have to</p> <p>21 go back and -- and check and give you a better</p> <p>22 answer.</p> <p>23 Q Okay. What platform were these wallets</p> <p>24 on?</p> <p>25 A Exodus, Blockchain and Bittrex.</p>

<p style="text-align: right;">Page 151</p> <p>1 Q Can you list those out again? Exodus, 2 Blockchain and what was the third one? 3 A Bittrex. Bittrex. 4 Q You previously only listed two, Exodus 5 and Blockchain, but there were three wallets -- 6 or, excuse me, three exchanges and four wallets; 7 is that right? 8 A No. The -- the wallets and the 9 exchanges is the same, the same thing. 10 Q Okay. Help me understand a little bit 11 more. So, you had a wallet on Exodus. You had a 12 wallet on -- 13 A Blockchain. 14 Q -- Blockchain. And then you had two 15 wallets on the other one? 16 A Bittrex. Bittrex. The other wallet 17 Eduardo is the one that managed that one. 18 Q Okay. 19 A He had a Binance wallet. 20 Q Okay. So, you had one wallet on 21 Binance -- 22 A Bittrex. 23 Q -- one wallet -- please let me finish 24 my question. 25 A Yes, ma'am.</p>	<p style="text-align: right;">Page 153</p> <p>1 please help me understand it. 2 A Okay. Can you rephrase, please, Ms. 3 Harris. 4 Q Sure. I'm trying to understand why you 5 were transferring from your business account to 6 your personal account. And it was your previous 7 testimony that you had to do it because you had 8 to buy Bitcoin under your personal account; is 9 that correct? 10 A Correct. Yes, ma'am. 11 Q Okay. So, you were transferring money 12 from the CryptoFX business account to your 13 personal account; is that correct? 14 A Correct. 15 Q To buy Bitcoin, correct? 16 A Correct. Yes, ma'am. 17 Q Help me understand why you couldn't 18 have just bought Bitcoin from the CryptoFX 19 account. 20 A Because on the CryptoFX account, like, 21 an exchange from Bittrex, that exchange is under 22 my name. It's not under CryptoFX because I 23 couldn't open under CryptoFX on that exchange. 24 Q Okay. Is the Blockchain account under 25 your name?</p>
<p style="text-align: right;">Page 152</p> <p>1 Q You had one wallet on Binance. You had 2 one wallet on Blockchain. You had one wallet on 3 Exodus and you had one wallet on Bittrex? 4 A Bittrex, yes, ma'am. 5 Q Bittrex, okay. And those four wallets 6 were the wallets that you used for Bitcoin 7 trading for CryptoFX? 8 A Yes, ma'am. 9 Q Where were those wallets -- what bank 10 account were those wallets linked to? 11 A I would have to double check on that, 12 Ms. Harris. 13 Q Okay. Let me get back to the transfers 14 between your personal and business accounts. You 15 said it was to buy Bitcoin, correct? 16 A Yes, ma'am. 17 Q And you had to buy Bitcoin through your 18 personal account? 19 A Like I said, I have to check because 20 what happened is like, for instance, if I bought 21 it from somebody, I would have to do a wire 22 transfer or a check or, you know, for -- or buy 23 cash from that person. So, I would have to 24 double check on those accounts. 25 Q I'm still not understanding it. So,</p>	<p style="text-align: right;">Page 154</p> <p>1 A Yes, ma'am. 2 Q Is the Binance account under your name? 3 A No, ma'am. 4 Q Is the Exodus account under your name? 5 A That one, it's -- no, ma'am. 6 Q What is that under? 7 A It's under -- it doesn't have -- I 8 think it's under the company name because it 9 doesn't specifically put a name on that account. 10 Q So -- 11 A All -- all four of them are company 12 accounts. Binance account was Mr. Eduardo's 13 account. 14 Q So, these are all company accounts, but 15 it sounds like two of them had your name on them 16 personally? 17 A Yes, ma'am. 18 Q And that's why you had to link it to 19 your personal account? 20 A Yes, ma'am. 21 Q Did you ever make transfers from the 22 business account to your personal account to pay 23 yourself commission? 24 A No, ma'am. 25 Q But you took commission, correct?</p>

<p>1 CryptoFX account.</p> <p>2 Q Where was -- where was that money put?</p> <p>3 A That was put into a -- an exchange, the</p> <p>4 Bitcoin exchange. Not -- because it was -- it</p> <p>5 was mostly cash payments that -- that we do.</p> <p>6 Q Okay. So, you just use their money and</p> <p>7 put it into an exchange?</p> <p>8 A Yes, ma'am.</p> <p>9 Q Okay. Walk me through the flow of</p> <p>10 money or how that worked. They would give you</p> <p>11 cash and you can't just put cash into an</p> <p>12 exchange. Tell me how that worked.</p> <p>13 A I would have to buy crypto through --</p> <p>14 through people or through the bank or through a</p> <p>15 ATM machine which is the -- the machines that</p> <p>16 I -- that are in gas stations now. They're in</p> <p>17 different hotels. Like, I would have to go buy</p> <p>18 Bitcoin there.</p> <p>19 Q Okay. So, the Cadence Bank account --</p> <p>20 business bank account for CryptoFX that you had,</p> <p>21 that money that was coming in was all student</p> <p>22 loan money. None of that was from the classes;</p> <p>23 is that right?</p> <p>24 A That is correct. Yes, ma'am.</p> <p>25 Q Okay. So, student money was segregated</p>	<p>Page 167</p> <p>1 A Bittrex and Exodus and -- and Binance.</p> <p>2 Q It was my understanding from your</p> <p>3 previous testimony that you did not have access</p> <p>4 Binance?</p> <p>5 A That was through my partner Eduardo</p> <p>6 did.</p> <p>7 Q Okay.</p> <p>8 A I'm so sorry, Ms. Harris, may I take a</p> <p>9 second? My battery is about to die on my laptop.</p> <p>10 Q Sure.</p> <p>11 A Can you -- it's about to die.</p> <p>12 Okay? Sorry, Mr. John is plugging it</p> <p>13 in.</p> <p>14 Okay, there we go. Perfect.</p> <p>15 Okay.</p> <p>16 Q Okay. So, you would use Binance,</p> <p>17 Exodus, Bittrex primarily and you would -- really</p> <p>18 wouldn't use Blockchain?</p> <p>19 A Blockchain it's harder to trade. You</p> <p>20 can't do trading on that particular -- it's more</p> <p>21 a wallet to receive and send -- yes, you can</p> <p>22 exchange it, but it's a little hard to exchange</p> <p>23 there -- to do trading there.</p> <p>24 Q For the Exodus -- I want to make sure I</p> <p>25 have this down. So, the Exodus wallet, which</p>
<p>1 from the loan money; is that right?</p> <p>2 A Yes, ma'am.</p> <p>3 Q Okay. So, did you tell the students</p> <p>4 that did not give loans that you were using their</p> <p>5 money to buy Bitcoin?</p> <p>6 A Could you repeat that again?</p> <p>7 Q Sure. Did you tell the students that</p> <p>8 did not give loans that you were using their</p> <p>9 money to buy Bitcoin?</p> <p>10 A No, because that money that was for the</p> <p>11 company. That's not money that they were</p> <p>12 loaning. That was more like a profit for the</p> <p>13 company.</p> <p>14 Q Okay. Okay.</p> <p>15 A You understand? Like, that was profits</p> <p>16 for the company.</p> <p>17 Q Okay. I want to try and understand the</p> <p>18 intake of Bitcoin. You would get money as loans.</p> <p>19 And then you would go out and buy the Bitcoin,</p> <p>20 correct?</p> <p>21 A Yes, ma'am.</p> <p>22 Q Okay. What crypto wallet would you use</p> <p>23 to buy and trade the Bitcoin for the CryptoFX</p> <p>24 investors? Which -- which ones -- which one</p> <p>25 would you use primarily?</p>	<p>Page 168</p> <p>1 one -- which account is that linked to -- which</p> <p>2 bank account is that linked to?</p> <p>3 A No. That one it's a -- it's a wallet.</p> <p>4 You have to receive the Bitcoin there. And you</p> <p>5 have to -- that -- that one I can do trading</p> <p>6 though. That was not linked to -- to any bank.</p> <p>7 Q It was not linked to any account?</p> <p>8 A No, ma'am.</p> <p>9 Q Was the Bittrex linked to any account?</p> <p>10 A The Bittrex, yes. I would have to</p> <p>11 check as to what bank it was linked to.</p> <p>12 Q Was the Blockchain linked to any</p> <p>13 account?</p> <p>14 A I believe the Blockchain, yes, as well.</p> <p>15 Yes, ma'am. I would have to double check to</p> <p>16 which account.</p> <p>17 Q Okay. You mentioned other currencies.</p> <p>18 What other currencies were you trading in?</p> <p>19 A Can you repeat that? When you say</p> <p>20 currency, what do you mean.</p> <p>21 Q Sure. We've talked about Bitcoin</p> <p>22 trading. Were you trading in any other</p> <p>23 currencies?</p> <p>24 A Yes. What I would do is I do trading</p> <p>25 with Bitcoin. The main thing that I do is I put</p>

<p style="text-align: right;">Page 171</p> <p>1 it in Bitcoin. Then from there I just traded 2 with other coins such as Cardona, SOP, you know, 3 Solana. They're different coins, that's what I 4 meant. I didn't mean different currencies, but I 5 meant different coins. 6 Q Okay. Are those -- the ones that 7 you've listed -- the ones you've listed, are 8 those it? Are their other ones? 9 A I do more, but I'm just giving you an 10 example. 11 Q Okay. Can you list all of the ones you 12 can think of? 13 A Sure. Cardona, Ripple, Dodogecoin, 14 Chief, Solana, Bit, Binance Coin. There's -- 15 yeah, there's so many, but the majority that I 16 did trading with is the top ten which are the 17 more, I wouldn't say secure, but less riskier 18 coins. There's a Shane, Uniswap, Galla, you 19 know. Those are the ones that I do most of my 20 trading with. 21 Q Okay. 22 A But there's 4,000 coins. 23 Q Okay. You take in a loan. You buy the 24 Bitcoin on one of these four wallets. You then 25 have to pay out a return to the people who you</p>	<p style="text-align: right;">Page 173</p> <p>1 Q I didn't hear you, Mr. Chavez. That 2 might be my fault, but can you repeat? 3 A On the bank account of the -- that 4 particular student. 5 Q I understand, but where -- what account 6 would you pay from? 7 A Oh, what account would I pay from? It 8 was from the CryptoFX account, but then I would 9 also buy cashiers checks and deposit to their 10 accounts. 11 Q Okay. 12 A Money orders and things like that. 13 Q I'm sorry I interrupted you. Can you 14 repeat your answer? 15 A Yes. It was from the CryptoFX bank 16 account, but it was also from -- I'm sorry, it 17 was from money orders and cashiers checks that I 18 would buy. And I have records as well. 19 Q Okay. So, when we look at your records 20 we should see the investors getting these returns 21 in money orders, wire transfers and cashiers 22 checks from the CryptoFX account at Cadence; is 23 that right? 24 A Yes, ma'am. 25 Q Did you ever pay that from any other?</p>
<p style="text-align: right;">Page 172</p> <p>1 owe money to; is that correct? 2 A Yes, ma'am. 3 Q How do you pay out these returns? 4 A Through Bitcoin. And some we did a 5 bank deposit. 6 Q Okay. So, let's take it step by step. 7 Through Bitcoin, when you would pay out through 8 Bitcoin you would pay out through Binance? 9 A No. Some through -- see, mostly with 10 Exodus and Blockchain. Some through Binance, but 11 it was not that many. It was mostly Exodus and 12 Blockchain. 13 Q Okay. So, when we pull the records for 14 Exodus and Blockchain we should see lots of 15 returns being paid out to the people that you -- 16 that you took money from? 17 A Yes, ma'am. 18 Q Okay. Did you pay out returns in cash? 19 A A few. Not -- mostly Bitcoin and 20 deposits into bank accounts. 21 Q Okay. So, for the bank account 22 deposits, let's go to that, where would you pay 23 out these deposits from, what account? 24 A The -- the bank accounts of the -- of 25 the individual, the student.</p>	<p style="text-align: right;">Page 174</p> <p>1 A I don't have that information. I will 2 have to double check on that. 3 Q Do you not remember whether you paid 4 them through another account? 5 A No, because that particular side of 6 things, Eduardo was more involved with that. I 7 was more involved with the operations, like, 8 trading side in the crypto space. 9 Q Okay, but this is more -- this is more 10 about the returns. 11 Do you have records of how you were 12 paid -- of how you paid every single investor? 13 A Yes, ma'am. 14 Q Okay. So, those are responsive to our 15 production -- or to our subpoena and we would 16 like to see those records. 17 Did you ever pay out people in cash? 18 A A few, yes, ma'am. 19 Q And you have records of when and how 20 that happened? 21 A Yes, ma'am. 22 Q Okay. Did you ever pay out people via 23 Zelle? 24 A No, ma'am. Not that I recall. 25 Q Okay. Did you ever pay out people via</p>

<p>1 Venmo?</p> <p>2 A No, ma'am.</p> <p>3 Q Did you ever pay out people via</p> <p>4 Instacoin?</p> <p>5 A No, ma'am.</p> <p>6 Q Did you ever pay out people via PayPal?</p> <p>7 A No, ma'am.</p> <p>8 Q Did you are pay out people via Cash</p> <p>9 App?</p> <p>10 A No, ma'am.</p> <p>11 Q What about wire transfers?</p> <p>12 A I believe, yes, but I would have to go</p> <p>13 to the records and check that.</p> <p>14 Q Okay. So, to summarize, the way that</p> <p>15 you paid returns to your investors was via</p> <p>16 Bitcoin, on Exodus, Bittrex or Blockchain?</p> <p>17 A Binance -- I'm sorry?</p> <p>18 Q Or Binance. Or if you paid in cash it</p> <p>19 was through the CryptoFX Cadence account via a</p> <p>20 cashiers check or perhaps a wire transfer and</p> <p>21 sometimes cash; is that correct?</p> <p>22 A And money orders.</p> <p>23 Q And money orders?</p> <p>24 A Uh-huh.</p> <p>25 Q Can you think of any other way that you</p>	<p>Page 175</p> <p>1 \$1,000.00 -- a person that put \$1,000.00, that</p> <p>2 money was combined, but the \$1,000.00 person is</p> <p>3 not going to get it less because it's a</p> <p>4 percentage, you know. So, depending on the gains</p> <p>5 we distributed the percentage.</p> <p>6 Q Okay. So --</p> <p>7 A Hard to give you an exact number</p> <p>8 because there is not.</p> <p>9 Q Well, there are exact numbers, Mr.</p> <p>10 Chavez. And I want to understand how you</p> <p>11 determined which person got which return. Is it</p> <p>12 that if a person had a contract with you that</p> <p>13 lasted six months and a person that had a</p> <p>14 contract with you that also lasted that same six</p> <p>15 months and they -- and you had to pay out the</p> <p>16 return, you know, let's say on January 30th,</p> <p>17 would they just get the same return because they</p> <p>18 kind of -- because their -- their money was</p> <p>19 pooled together and was traded at the same time?</p> <p>20 A Yes, ma'am.</p> <p>21 Q Okay. So, you did not individually</p> <p>22 track each investor's money? You pooled it</p> <p>23 together?</p> <p>24 A It's really difficult when -- yeah. No.</p> <p>25 Yes, ma'am. It's hard to do it like that.</p>
<p>1 paid out the returns?</p> <p>2 A No, ma'am.</p> <p>3 Q Okay. Okay. Here's what I want to</p> <p>4 understand about the trading, you would take in</p> <p>5 these loans and you would trade on behalf of the</p> <p>6 person who loaned you the money on one of these</p> <p>7 four accounts. Did you pool the loan money and</p> <p>8 then trade for all the people that gave you loans</p> <p>9 at one time?</p> <p>10 A Yes, but in -- through different</p> <p>11 exchange could be, but the answer to your</p> <p>12 question, yes.</p> <p>13 Q Sure. So, to clarify, if person X gave</p> <p>14 you \$100.00 and person Y gave you \$200.00, you in</p> <p>15 theory could pool it for \$300.00 and trade that</p> <p>16 \$300.00 on the Exodus exchange?</p> <p>17 A Yes, ma'am.</p> <p>18 Q Okay. How then would you determine how</p> <p>19 to pay out the returns for person X and person Y?</p> <p>20 A Depending on the -- on the profits that</p> <p>21 we made, depending on the -- like, for</p> <p>22 instance, just to give you an example. Let's say</p> <p>23 we made 10 -- 10 percent or 15 percent, depending</p> <p>24 on the -- on the gains that were paying, that's</p> <p>25 when we distribute -- a person who put</p>	<p>Page 176</p> <p>1 Q Right. Because if you were to trade --</p> <p>2 if you were to track each investor's account you</p> <p>3 would theoretically have to -- have to open up</p> <p>4 thousands of wallets, right?</p> <p>5 A It would be impossible.</p> <p>6 Q Right.</p> <p>7 A Yes.</p> <p>8 Q So, you didn't promise any returns and</p> <p>9 their returns would mostly be based on when their</p> <p>10 contract ended, correct?</p> <p>11 A Could you repeat that again? I'm</p> <p>12 sorry, Ms. Harris.</p> <p>13 Q Sure. You previously testified that</p> <p>14 you would not give greater returns to people that</p> <p>15 had greater investments; is that right?</p> <p>16 A That is correct.</p> <p>17 Q Okay. So, how would you determine what</p> <p>18 return they got? Was it just the pool of money</p> <p>19 that their investment was sitting in on the day</p> <p>20 that their contract ended?</p> <p>21 A Yes, ma'am.</p> <p>22 Q Okay. So, for example, if I gave you</p> <p>23 \$100.00 and my contract was up a month later and</p> <p>24 the market was up, then I would get the same</p> <p>25 return as everyone else who's contracted ended</p>

<p>1 that day, right?</p> <p>2 A As far as percentage-wise, yes.</p> <p>3 Q Okay.</p> <p>4 A Because -- because, like, if you</p> <p>5 understand what I meant as far as</p> <p>6 percentage-wise, yeah?</p> <p>7 Q Explain.</p> <p>8 A For instance, you came and put in</p> <p>9 \$100.00, but the other person put in \$1,000.00, I</p> <p>10 cannot give you 100 -- like, \$10.00 and the other</p> <p>11 person \$10.00 because the other person had more</p> <p>12 money, you know.</p> <p>13 Q Correct. So, the percentages would be</p> <p>14 based on when the draw was basically?</p> <p>15 A Yeah. That is correct. Yes, ma'am.</p> <p>16 Q Okay. So, similarly, if I gave you</p> <p>17 \$100.00 in May and in one month my contract was</p> <p>18 up in June and the market's down, I might not get</p> <p>19 any return, correct?</p> <p>20 A Correct. Yes, ma'am.</p> <p>21 Q Okay. And that same -- and that other</p> <p>22 person who invested \$1,000.00 also wouldn't get</p> <p>23 any returns; is that right?</p> <p>24 A Correct. Yeah.</p> <p>25 Q Okay. Even if you did not make a</p>	<p>Page 179</p> <p>1 with. He was more the office manager. And I was</p> <p>2 more on the trading side of that things, but I</p> <p>3 can definitely check for you on that.</p> <p>4 Q Do you have any guesstimates?</p> <p>5 A I don't want to guess. I don't want to</p> <p>6 be on the spot.</p> <p>7 QOkay. Do you know approximately how</p> <p>8 much money you've made in commissions?</p> <p>9 A You mean in profits?</p> <p>10 Q No. In your personal commissions which</p> <p>11 we talked about before.</p> <p>12 A You're talking about my personal</p> <p>13 commission, yes?</p> <p>14 Q Yes.</p> <p>15 A Okay. Individually? I would say --</p> <p>16 you're talking about from CryptoFX, correct, or</p> <p>17 from the trading itself?</p> <p>18 Q Yes.</p> <p>19 A Okay. From CryptoFX. I would have to</p> <p>20 double check on that. I would say close to \$1</p> <p>21 million.</p> <p>22 Q Okay. Do you know how much you paid</p> <p>23 out in referral fees?</p> <p>24 A No. That's a number that I would have</p> <p>25 to check.</p>
<p>Page 180</p> <p>1 return on a specific investor's money were your</p> <p>2 referral fees always paid?</p> <p>3 A Yes, ma'am.</p> <p>4 Q Okay. Because those referral fees were</p> <p>5 paid within one to two weeks after the contract</p> <p>6 was signed, correct?</p> <p>7 A Two weeks, yeah.</p> <p>8 Q Okay.</p> <p>9 A At least two weeks.</p> <p>10 Q Okay. Did you ever trade in Ethereum?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay. Did you trade on the same</p> <p>13 exchanges that we spoke about before?</p> <p>14 A Yes, ma'am.</p> <p>15 Q Okay. Approximately how much money did</p> <p>16 you raise with CryptoFX?</p> <p>17 A I would have to check my records,</p> <p>18 ma'am. I would have to get back with you on</p> <p>19 that, ma'am.</p> <p>20 Q But you do have records that would show</p> <p>21 this number?</p> <p>22 A Yes, ma'am.</p> <p>23 Q Okay. And were you responsible for</p> <p>24 kind of keeping track of all the revenue?</p> <p>25 A A lot of that Eduardo had more to do</p>	<p>Page 181</p> <p>1 Q Okay. Do you know how much you have</p> <p>2 made in bonus?</p> <p>3 A No, ma'am. I would have to double</p> <p>4 check on that.</p> <p>5 Q Okay. You previously talked about</p> <p>6 CryptoFX and how it was the real estate arm of</p> <p>7 your business.</p> <p>8 A You mean CBT Group, correct?</p> <p>9 Q CBT Group, excuse me, yes. I'm sorry.</p> <p>10 There's a lot of Cs. Let me clean up the record</p> <p>11 there.</p> <p>12 CBT Group was the real estate arm,</p> <p>13 correct?</p> <p>14 A Yes, ma'am.</p> <p>15 Q Okay. How much money did CBT Group</p> <p>16 raise?</p> <p>17 A I would have to check. I don't have</p> <p>18 that exact number.</p> <p>19 Q Okay. Were you collecting commissions</p> <p>20 from CBT Group?</p> <p>21 A No, ma'am.</p> <p>22 Q Okay. Were you collecting any salary</p> <p>23 for CBT Group?</p> <p>24 A No, ma'am.</p> <p>25 Q Any bonuses?</p>

<p>1 A None. Not yet.</p> <p>2 Q Do you know approximately how many</p> <p>3 investors you have in CBT Group?</p> <p>4 A No, ma'am. I don't have that</p> <p>5 information.</p> <p>6 Q Would you say it's above ten?</p> <p>7 A I would say below ten.</p> <p>8 Q I'm sorry, can you repeat that, Mr.</p> <p>9 Chavez?</p> <p>10 A I don't -- I don't -- I don't have an</p> <p>11 exact number. I would have to double check. I</p> <p>12 don't -- I would have to double check on that.</p> <p>13 Q Okay. And what real estate is CBT</p> <p>14 currently invested in?</p> <p>15 A We're still negotiating a property --</p> <p>16 property that we -- that we still in -- into</p> <p>17 closing. I will have to get you a better answer</p> <p>18 once I review it.</p> <p>19 Q Where are those properties?</p> <p>20 A In Houston -- Houston area.</p> <p>21 Q And for the CBT Group investors, you</p> <p>22 said that they paid you -- or let me ask the</p> <p>23 question. For CBT Group investors, how did they</p> <p>24 pay you?</p> <p>25 A Check.</p>	<p>Page 183</p> <p>1 Did Maurizzio Group ever take any</p> <p>2 investor money?</p> <p>3 A No. No, ma'am. Not that I recall. I</p> <p>4 would have to double check on that.</p> <p>5 Q But if it did, you would have the</p> <p>6 records, right?</p> <p>7 A Correct. Yes, ma'am.</p> <p>8 Q And Maurizzio Group is a real estate</p> <p>9 marketing group; is that right?</p> <p>10 A Yes, ma'am.</p> <p>11 Q Can you give some more detail on that?</p> <p>12 A Yes. Well, pretty much the goal of it</p> <p>13 is to find -- to connect the builders with the</p> <p>14 end purchasers, clients. We do the marketing</p> <p>15 aspects.</p> <p>16 Q Does it have any relation to CryptoFX</p> <p>17 or CBT?</p> <p>18 A No, ma'am. Sorry for interrupting you.</p> <p>19 Q Okay. And you have not paid out any</p> <p>20 returns or anything from Maurizzio Group?</p> <p>21 A No. No, ma'am.</p> <p>22 Q Okay. You talked about earlier your</p> <p>23 wins and your losses. Am I correct in stating</p> <p>24 that you previously testified that you did lose</p> <p>25 some of the investor money; is that right?</p>
<p>Page 184</p> <p>1 Q Where did these -- where were these</p> <p>2 checks deposited?</p> <p>3 A In Cadence and Lone Star.</p> <p>4 Q Are those the only places that these</p> <p>5 checks were deposited?</p> <p>6 A Yes, ma'am. That I recall, yes, ma'am.</p> <p>7 Q Do you have an account at Spirit of</p> <p>8 Texas?</p> <p>9 A That is a -- that is a CBT account.</p> <p>10 That is correct.</p> <p>11 Q Were the checks deposited in that</p> <p>12 account?</p> <p>13 A Not that I know, no. I would have to</p> <p>14 double check, but not that I know of.</p> <p>15 Q Do you have a CryptoFX account at the</p> <p>16 Spirit of Texas Bank?</p> <p>17 A No, ma'am.</p> <p>18 Q What is Maurizzio Group?</p> <p>19 A That was a real estate marketing</p> <p>20 company that I was creating as well, but that</p> <p>21 was -- I don't know if it was before CryptoFX or</p> <p>22 after. I would have to double check, but it was</p> <p>23 more like a marketing.</p> <p>24 Q I believe you previously testified that</p> <p>25 this company that -- scratch that.</p>	<p>Page 186</p> <p>1 A That was when I first started. When I</p> <p>2 was first starting I did lose money and then --</p> <p>3 like I said, then I regained. And -- but that's</p> <p>4 how the markets are sometimes. You enter into</p> <p>5 business, sometimes your wins are bigger, but,</p> <p>6 yes, ma'am, I told you that.</p> <p>7 Q Okay. Do you know how much money you</p> <p>8 lost?</p> <p>9 A I would say, like, three percent.</p> <p>10 Q How much money does that translate to?</p> <p>11 A I would have to check the numbers and</p> <p>12 give you an exact amount, but just -- just to</p> <p>13 give you an example, maybe \$100,000.00, three</p> <p>14 percent, you know, just \$3,000.00, just so you</p> <p>15 can get an idea. It was nothing to affect the</p> <p>16 company, so.</p> <p>17 Q Was there ever a time where you were</p> <p>18 not able to give a person who you loaned -- who</p> <p>19 loaned you money a return?</p> <p>20 A No, ma'am.</p> <p>21 Q Okay. But you did have some losses in</p> <p>22 investing in cryptocurrency, right?</p> <p>23 A Yes, but since the gains have been</p> <p>24 higher than the -- than the losses, that's</p> <p>25 probably we've been able to never refund anybody.</p>

<p>1     Q   Okay. And I understand that it is 2 cyclical, but let me ask you this, did you ever 3 pay one of your investors with new investor 4 money?</p> <p>5     A   No, ma'am.</p> <p>6     Q   Okay. So, every time that you paid an 7 investor it was from the profits of your trading?</p> <p>8     A   Yes, ma'am.</p> <p>9     Q   Okay. So, when you previously 10 testified that you lost some investor money, what 11 did you mean?</p> <p>12    A   I meant at that particular trades I 13 lost to the market. I mean, for instance, if I 14 put in, let's say, \$100,000.00, I lost 30,000 or 15 3,000 just to give you an example.</p> <p>16    Q   But if you're trading with investor 17 money and it's pooled together, and you are 18 coming out with less than you put in, how are you 19 able to make every single investor hole?</p> <p>20   A   Because that's why I don't put 21 everything in one exchange. That's why I have 22 different exchanges. Because one exchange -- if 23 I did everything at once it's too risky. You 24 can't. I don't -- I don't do risky trades.</p> <p>25   Q   Okay. So, you pooled together the</p>	<p>Page 187</p> <p>1     A   No, ma'am.</p> <p>2     Q   Okay. So, you always paid your 3 investors a return in a timely amount?</p> <p>4     A   Yes, ma'am.</p> <p>5     Q   Okay. So, you didn't ever have any, 6 you know, complaints from investors?</p> <p>7     A   Not that I recall. Not that I can 8 remember.</p> <p>9     Q   I mean, you had thousands of investors 10 and you never had any complaints regarding --</p> <p>11   A   Oh. I'm sorry, go ahead. Go ahead.</p> <p>12   Q   Go ahead, Mr. Chavez. Go ahead.</p> <p>13   A   No. What I mean is some people of 14 course when they call they want you to answer the 15 phone, like, right away, you know. And you get 16 complaints like that. Of course we had things 17 happen. Not that we never -- we always paid 18 our -- the people that lend -- lend us the money.</p> <p>19   Q   Okay.</p> <p>20   A   We always pay.</p> <p>21   Q   Okay. So, you never had to tell your 22 investors, it's going to take, you know, another 23 month, another month, another month to get you 24 your money back?</p> <p>25   A   Never.</p>
<p>Page 188</p> <p>1 investor money and you put a certain percentage 2 in one exchange, a certain percentage in another 3 exchange and a certain percentage in another 4 exchange, correct?</p> <p>5     A   That is correct.</p> <p>6     Q   What if everything is down?</p> <p>7     A   Okay. The way I operate, I do three 8 different exchanges. One which I do more on a 9 daily basis. The second one which I do on, like, 10 every two weeks basis. And the other one was 11 just long-term because of this situation when the 12 market is down, the other way I protect myself is 13 I put the crypto itself in USDT in the 14 Stablecoin. The Stablecoin, even though the 15 market going down or up, it doesn't matter. If I 16 had -- let's say I had \$1 million, but if I had 17 idea that the market was somehow going to drop, I 18 will put into the Stablecoin and that Stablecoin, 19 even though the market goes down, it cannot go 20 lower than what I put in the Stablecoin. That's 21 how I protect myself.</p> <p>22    Q   Okay. Were you ever in a situation 23 where you've had to defer a return until later 24 because you didn't have the money to cover what 25 you owed out to your investors?</p>	<p>Page 190</p> <p>1     Q   Okay. And I want to be just very, very 2 clear on that. You were always paying your 3 investors with money from your -- with profits 4 from the actual trades; is that right?</p> <p>5     A   Yes, ma'am.</p> <p>6     Q   It was not that you were, you know, not 7 doing well in the Bitcoin market and, therefore, 8 you had to solicit new investors to cover your 9 losses?</p> <p>10   A   No, ma'am. No. No.</p> <p>11   Q   Never?</p> <p>12   A   Never.</p> <p>13   Q   Okay. Okay.</p> <p>14    MS. HARRIS: Let's go to Exhibit 17, 15 please, Jamie.</p> <p>16    Q   And I'll just flag for you, Mr. Chavez, 17 this is a pretty long exhibit. We're going to be 18 here for a while.</p> <p>19   A   Okay.</p> <p>20   Q   So, just looking at this first page, 21 can you explain what this is?</p> <p>22       Let me ask a better question. Do you 23 recognize this?</p> <p>24   A   Yeah. That is a WhatsApp -- one of our 25 WhatsApp group.</p>

<p style="text-align: right;">Page 191</p> <p>1 Q Okay. And it seems like if you go to 2 the, kind of, bottom third that two people are 3 speaking back and forth, Gio CFX and M Group. 4 Who is GIO CFX?</p> <p>5 A That -- I think that's Georgio.</p> <p>6 Q Okay. And who is M Group?</p> <p>7 A M Group is -- is me.</p> <p>8 Q And now we're having a little bit of 9 technical difficulties. Jamie is going to get 10 this back up for you.</p> <p>11 A Okay. Georgio is Gio, Georgio, and M 12 Group is me, Mauricio.</p> <p>13 Q Great, okay. So, we received a couple 14 of transcripts like this in your production. Is 15 WhatsApp the primary way you communicated with 16 the people who you gave loans to?</p> <p>17 A That's why we have the groups, yes, 18 ma'am.</p> <p>19 Q Okay. So, WhatsApp is the way you 20 communicated to investors, correct?</p> <p>21 A Yes, ma'am.</p> <p>22 Q Okay. And WhatsApp is also the way you 23 communicated to other employees, correct?</p> <p>24 A Yes. Yes, ma'am. Employees, texts as 25 well.</p>	<p style="text-align: right;">Page 193</p> <p>1 Q He is just an employee of CBT? 2 A Yes, ma'am.</p> <p>3 Q Is he an employee of the Mauricio 4 Group?</p> <p>5 A No, ma'am.</p> <p>6 Q Okay. One technical question here, it 7 says throughout this transcript that certain 8 audio has been omitted, audio has been deleted. 9 Can I assume that is when you are sending each 10 other voice messages?</p> <p>11 A Yes. When I -- when I send 12 the information the problem is like when you 13 send -- you know, as the audios, it will take a 14 day to a couple of days to transfer everything. 15 So, when I was sending it to my attorney, I 16 send -- when I forward that -- that WhatsApp chat 17 I did it without the audio and without the -- so 18 it wouldn't be too heavy. The file wouldn't be 19 too heavy. That's the reason why it says audio 20 omitted.</p> <p>21 Q So, you do still have in your 22 possession these audio messages that are 23 reflected here?</p> <p>24 A Yes, ma'am.</p> <p>25 Q Now, these are responsive to the</p>
<p style="text-align: right;">Page 192</p> <p>1 Q Okay. Okay. Do you have those text 2 messages to employees?</p> <p>3 A I wouldn't -- yes, I do.</p> <p>4 Q Do you -- do you have any additional 5 transcripts in your possession that you have not 6 turned over to us?</p> <p>7 A Not that I know, but I would have to 8 get with my lawyer and see what -- what other 9 documents we can send out to you.</p> <p>10 Q Yeah, okay. I'm just asking if there 11 are any other additional web chats that you 12 haven't given to your lawyer to give to us. If 13 so, they're -- they're responsive to the 14 subpoena.</p> <p>15 A Okay.</p> <p>16 Q Yeah. So, you said that Gio -- that M 17 Group was you and Gio CFX is Gio, what was his 18 last name?</p> <p>19 A Georgio Benvenuto.</p> <p>20 Q Georgio Benvenuto. Who is Georgio 21 Benvenuto?</p> <p>22 A He's the other person that I told you 23 for the CBT account.</p> <p>24 Q Okay. Is he an employee of CryptoFX?</p> <p>25 A No, ma'am.</p>	<p style="text-align: right;">Page 194</p> <p>1 subpoena. We should try and find a way to get 2 those to us, but let's move on for right now.</p> <p>3 What was Georgio's role at CBT?</p> <p>4 A The -- he's the one of the managers.</p> <p>5 Q Okay. And he played no role in 6 CryptoFX; is that right?</p> <p>7 A No, ma'am.</p> <p>8 Q No that's not right or --</p> <p>9 A No. No. No, he doesn't -- he doesn't 10 play a role. No, ma'am.</p> <p>11 Q Okay.</p> <p>12 MS. HARRIS: Let's go to page ending in 13 699. I think it's the third page down. We 14 there?</p> <p>15 Q You can kind of take some time to read 16 through this.</p> <p>17 A Uh-huh.</p> <p>18 (Whereupon, witness reviews Exhibit.)</p> <p>19 A Yes, ma'am.</p> <p>20 Q Okay. And then --</p> <p>21 MS. HARRIS: And I'm sorry, Jamie, I'm 22 going to ask you to go down -- hang on. I 23 apologize. It's actually on the next page ending 24 in 700. I apologize, that's my fault.</p> <p>25 Q So, we are on page CFX 081700 and we</p>

<p style="text-align: right;">Page 195</p> <p>1 are at the bottom third. It's a message that Gio 2 CFX sends to you at 10:56 a.m. Do you see that? 3 So, I'm going to read it into the 4 record. He says, Good Morning, Brother. Just a 5 friendly reminder that I am bringing Gabriel 6 Torres to you tomorrow at 11 a.m. Please carve 7 out a little time to spend with me and Gabriel to 8 get him comfortable with the idea of investing 9 with CryptoFX. I have him 90 percent there 10 already. He's committing 10K.</p> <p>11 A Okay. So, what Gio is saying that he's 12 going to refer Gabriel to the academy.</p> <p>13 Q Okay. So, Gabriel is giving -- giving 14 one of the loans of \$10,000.00; is that right?</p> <p>15 A That is correct, yes, ma'am.</p> <p>16 Q And Gio is presumably being paid a 17 referral fee?</p> <p>18 A That is correct. Yes, ma'am.</p> <p>19 Q Okay. Did Gio generally -- did Gio 20 regularly go out and find investors for CryptoFX?</p> <p>21 A Not -- not -- not really. No, ma'am.</p> <p>22 Q Okay. Okay.</p> <p>23 MS. HARRIS: Let's go to four pages 24 down at 704.</p> <p>25 Q And once again, we're at the bottom of</p>	<p style="text-align: right;">Page 197</p> <p>1 page. This is a message that Gio sent to you on 2 December 2nd, 2020 at 2:02. And he's making a 3 list. He says, E-mail me the CryptoFX, LLC 4 documents. Transfer at least 10K into the CBT 5 account by Friday.</p> <p>6 And I'll give you some time to kind of 7 read the entire thing, but my question to you is, 8 why did he have access to the CryptoFX, LLC 9 documents? Why did he want those?</p> <p>10 A I don't -- I don't -- I have to -- I 11 need more time to -- I don't know why.</p> <p>12 Q Okay. You had previously -- oh, go 13 ahead, Mr. Chavez.</p> <p>14 A No. I don't know. I mean, I know what 15 the 10K was for, but talking about the 16 cryptocurrency document, I don't know.</p> <p>17 Q If you don't remember, you don't 18 remember, that's fine. I'll move on --</p> <p>19 A The 10K was because of architecture 20 fee. That's what, you know, the 10K.</p> <p>21 Q Okay.</p> <p>22 A But I don't remember that document.</p> <p>23 Q Where were you going to transfer the 24 10K from?</p> <p>25 A I don't want to give you miss --</p>
<p style="text-align: right;">Page 196</p> <p>1 the page and starting at around 2:56. Basically, 2 you guys are talking about Gabriel's checks. And 3 I'm assuming that's Gabriel Torres, correct?</p> <p>4 A Could you highlight? I'm sorry.</p> <p>5 Q Yeah. At the very bottom starting at 6 2:56 where Gio says, I just need to know about 7 Gabriel's checks. He says, The funds are still 8 in his account. Is everything okay?</p> <p>9 A Oh, okay. What happened was when 10 Gabriel gave me the check to come in to do the 11 loan, I had not deposited the check. That's why 12 he was saying that.</p> <p>13 Q Okay. What do you mean when you 14 respond, Not yet because I'm trying to lower my 15 account first? What does that mean?</p> <p>16 A I don't recall. I will have to double 17 check that.</p> <p>18 Q Okay. I don't want you to speculate.</p> <p>19 A I don't want to speculate.</p> <p>20 Q Yeah. If you don't remember, you don't 21 remember.</p> <p>22 MS. HARRIS: Let's go to page 716. This 23 will be the Bates label ending in 716, I 24 apologize.</p> <p>25 Q So, we are at the top third of the</p>	<p style="text-align: right;">Page 198</p> <p>1 misinformation. I don't -- I'd have to double 2 check on that, ma'am.</p> <p>3 Q Okay. So, it would have been one of 4 the accounts that you had access to; is that 5 correct?</p> <p>6 A Correct. Yes, ma'am.</p> <p>7 Q Is that -- is it possible that it would 8 have been from your personal account?</p> <p>9 A Yes, it is -- it's possible.</p> <p>10 Q Is it possible that it would have been 11 from the CryptoFX business account?</p> <p>12 A No, ma'am.</p> <p>13 Q Okay. So, if I -- if I were to look at 14 the records I wouldn't see a transfer of 15 \$10,000.00 around this time from any of the 16 CryptoFX money?</p> <p>17 A Correct.</p> <p>18 Q Okay. So, it's possible that it could 19 have come from a personal account. Where else 20 would it have come from?</p> <p>21 A From the personal account. It would 22 have to have come from the personal account.</p> <p>23 Q Okay.</p> <p>24 MS. HARRIS: Let's go to the page 25 ending in 735.</p>

<p>1 Q So, starting at March 29th, 2021 at 2 4:30 Gio is discussing, Our attorney has just 3 reminded me that he has yet to receive your 4 personal taxes for last year. We have passed our 5 deadline and I have asked for extension. 1.7 6 million needs to be put into the CDT account on 7 April 7th. Do you see that?</p> <p>8 A Yes, ma'am.</p> <p>9 Q Okay. Without telling me what you 10 discussed with any attorney, do you know what 11 attorney Mr. -- or Georgio is referencing?</p> <p>12 A No, ma'am.</p> <p>13 Q So, you -- you don't know what attorney 14 he's talking about? It says, Our attorney.</p> <p>15 A But he's the one that managed that. I 16 don't have that information, ma'am.</p> <p>17 Q Okay. So, you don't know who CBT's 18 attorney was?</p> <p>19 A No, ma'am.</p> <p>20 Q Okay. And where would this \$1.7 21 million come from?</p> <p>22 A Through the people that would loan for 23 the CBT account.</p> <p>24 Q Can you repeat your answer, Mr. Chavez? 25 I didn't quite understand it.</p>	<p>Page 199</p> <p>1 A I didn't. It was because I didn't 2 promote to do it, if I understood me. Because if 3 I would pay out people from that, you know, 4 whatever we did, then I would -- I would have got 5 it.</p> <p>6 Q Okay. So, my understanding was you're 7 saying it's because you didn't really promote CBT 8 you were not able to get this money in order to 9 make the real estate development purchase that 10 you wanted, right?</p> <p>11 A Correct.</p> <p>12 Q Okay. I know you previously testified 13 that you don't know how many investors CBT has, 14 but do you have records where we could find out?</p> <p>15 A I can definitely look into that, yes, 16 ma'am.</p> <p>17 Q And have you -- perhaps you answered 18 this. Forgive me if you have. You've never 19 taken a salary from CBT; is that correct?</p> <p>20 A No, ma'am.</p> <p>21 Q Okay. And your primary source of 22 income is from CryptoFX; is that correct?</p> <p>23 A That is correct.</p> <p>24 Q Okay. So, since you had not purchased 25 any real estate through CBT as of yet, where</p>
<p>Page 200</p> <p>1 A From -- from the people that would loan 2 for the CBT Group. For the people that was doing 3 the loans for the CBT.</p> <p>4 Q Okay. So, why did -- I'm trying to see 5 if this is -- I'm trying to understand the 6 construction of this message here.</p> <p>7 Why did \$1.7 million need to be -- I'm 8 assuming that means CBT account by April 7th, why 9 was that?</p> <p>10 A Because we were looking into purchasing 11 a land to build apartment complex.</p> <p>12 Q Okay. So, I'll represent to you that 13 throughout this Webex -- excuse me, WhatsApp 14 conversation you guys talk about this million 15 dollars -- \$1.7 million several times. Where 16 were you getting this money?</p> <p>17 A From people that would loan the money.</p> <p>18 Q Okay. So -- so, from investors?</p> <p>19 A Different -- different people that 20 would loan the money for -- for the loans for us 21 to -- to do the development.</p> <p>22 Q Okay. Did you ever get this money?</p> <p>23 A No, ma'am.</p> <p>24 Q And is that because you couldn't find 25 additional investors to give you money?</p>	<p>Page 202</p> <p>1 has -- where is the investor money sitting right 2 now?</p> <p>3 A In the account.</p> <p>4 Q In the account, okay. Has any -- has 5 any money been taken out of it?</p> <p>6 A Not investors money, no, ma'am.</p> <p>7 Q Okay. I mean, do you guys have any 8 overhead or anything that you're using where 9 you're spending investor money?</p> <p>10 A Gio he has some salary.</p> <p>11 Q How much is his salary?</p> <p>12 A I believe it's 2,500 a week maybe.</p> <p>13 Q Is his salary disclosed to investors?</p> <p>14 A No, ma'am.</p> <p>15 Q And you previously testified that you 16 don't remember whether or not these investors 17 with CBT Group have contracts, correct?</p> <p>18 A Correct. Yes, ma'am.</p> <p>19 Q Were you the primary person 20 communicating with the CBT Group investors?</p> <p>21 A Myself and Eduardo.</p> <p>22 Q How did you communicate with them?</p> <p>23 A Face-to-face.</p> <p>24 Q Face-to-face, okay. When they would -- 25 well, any e-mails?</p>

<p>1 A No, ma'am.</p> <p>2 Q Text messages?</p> <p>3 A No, ma'am.</p> <p>4 Q Okay. And there are no promotional</p> <p>5 materials for CBT Group; is that correct?</p> <p>6 A No, ma'am.</p> <p>7 MS. HARRIS: Let's go to page ending in</p> <p>8 Bates label 751, please.</p> <p>9 Q Right in the middle Mr. -- or</p> <p>10 Georgio -- I'm sorry, what is his name again?</p> <p>11 A Georgio.</p> <p>12 Q Georgio, correct. Okay, Georgio gives</p> <p>13 you a link to www.McNamaraGroup. And then he</p> <p>14 states, I'm trying to set up a Zoom call or</p> <p>15 possibly a conference call with Rhory McNamara at</p> <p>16 McNamara Corporate Services, Inc. based in St.</p> <p>17 Lucia to set up your offshore account. Checkout</p> <p>18 his website.</p> <p>19 Later, further down there's audio</p> <p>20 omitted. He also says, Brother, I will be at the</p> <p>21 office in the morning for a Zoom call with St.</p> <p>22 Lucia and offshore account. I will be headed to</p> <p>23 Magnolia for Spirit of Texas Bank business. If</p> <p>24 you have more checks for me, please give them so</p> <p>25 I can deposit them into the CBT account. See you</p>	<p>Page 203</p> <p>1 checks you are sitting on. Then he says, Money</p> <p>2 in checks, correcting himself from the previous</p> <p>3 message. And you respond, Morning Bro, like a</p> <p>4 million. A lot under the Maurizzio Group.</p> <p>5 Explain that back and forth to me a little bit.</p> <p>6 Take your time.</p> <p>7 A I believe we were still trying to -- to</p> <p>8 purchase that land and -- but, like I said, we</p> <p>9 never -- we never purchase it. So, that's why he</p> <p>10 wanted to know how much money I had.</p> <p>11 Q You state under -- you state in</p> <p>12 response to him, A lot under Maurizzio Group, but</p> <p>13 you previously testified that Maurizzio Group did</p> <p>14 not really take investors. So, help me</p> <p>15 understand that.</p> <p>16 A No, Maurizzio doesn't -- does not take</p> <p>17 investors for -- for any real estate at all.</p> <p>18 Q So, how do you have \$1 million under</p> <p>19 the Maurizzio Group?</p> <p>20 A I would have to go into the -- those</p> <p>21 bank records and -- and check. I don't --</p> <p>22 Q Okay. Is it -- go ahead.</p> <p>23 A No, go ahead. Go ahead, ma'am.</p> <p>24 Q Well, my question is, is it based on</p> <p>25 Maurizzio Group's operations?</p>
<p>1 this morning.</p> <p>2 So, let me ask you first, do you have</p> <p>3 an offshore account in St. Lucia?</p> <p>4 A No, ma'am.</p> <p>5 Q Were you attempting to set up one in</p> <p>6 St. Lucia?</p> <p>7 A I was, but I never did.</p> <p>8 Q Okay. What was the purpose of that?</p> <p>9 A I wanted -- wanted to have an offshore</p> <p>10 account to establish a -- a business outside the</p> <p>11 U.S.</p> <p>12 Q What was going to be that business?</p> <p>13 A Pretty much it was going to be the same</p> <p>14 real estate development business.</p> <p>15 Q Where?</p> <p>16 A In El Salvador.</p> <p>17 Q But this account has never been set up,</p> <p>18 correct?</p> <p>19 A No, ma'am, never.</p> <p>20 Q Okay. Do you have any accounts with</p> <p>21 the McNamara Group?</p> <p>22 A No, ma'am.</p> <p>23 Q Okay. On the next page, if we could go</p> <p>24 down there, right in the middle Georgio says,</p> <p>25 Give me a ballpark figure on how much money and</p>	<p>Page 204</p> <p>1 A Yes, but I would have to go into the</p> <p>2 statements and -- and really check to see what --</p> <p>3 what those were.</p> <p>4 Q Right. So, at some point you</p> <p>5 represented you have like a million under the</p> <p>6 Maurizzio Group. And that is based on the</p> <p>7 Maurizzio Group's profits, correct?</p> <p>8 A Correct.</p> <p>9 Q So, these are not student funds or</p> <p>10 investor money that you directed to the Maurizzio</p> <p>11 Group, but it's really money from CryptoFX; is</p> <p>12 that right?</p> <p>13 A Could you rephrase that question?</p> <p>14 Q Sure. So, when you previously talked</p> <p>15 about Maurizzio Group it sounded like it was</p> <p>16 something that you were just starting. And I</p> <p>17 want to understand how you have \$1 million in the</p> <p>18 bank for Maurizzio Group. Is it from the</p> <p>19 operations?</p> <p>20 A Yes, ma'am.</p> <p>21 Q Okay. So, based on your real estate</p> <p>22 marketing you had already made \$1 million?</p> <p>23 A That is -- that is correct, but I will</p> <p>24 have to check the statements to see where those</p> <p>25 came -- what I got to give you a better answer on</p>

<p>1 that.</p> <p>2 Q Okay. So, I mean, tell me a little bit 3 more about this real estate marketing. Is it -- 4 do you have certain clients? You know, kind of, 5 how were you guys making money?</p> <p>6 A Yes. This through -- well, pretty much 7 it's -- the Maurizzio Group is more like a -- 8 like a marketing firm as far as development -- 9 connecting development companies with customers. 10 And -- and the Maurizzio Group, that's when -- 11 Maurizzio Group I think -- I believe I opened 12 before CBT Group, but I decided to continue with 13 CBT Group, not Maurizzio Group. But like I said, 14 I would have to check the records on that to give 15 you a better answer on that.</p> <p>16 Q Yeah. I'd like to understand because 17 it seems like -- like Maurizzio Group -- I want 18 to understand a little bit more about the -- 19 about the operations. So, walk me through, like, 20 who were your biggest clients, what were you 21 doing, you know. Tell -- tell me what you were 22 doing.</p> <p>23 A Yeah, I can -- I can definitely get 24 that information to you. I don't have that 25 part -- the \$1 million, I don't have that</p>	<p>Page 207</p> <p>1 A That is correct. That's what I was 2 starting through Maurizzio Group, but then 3 because of the experience that Georgio had and 4 Gabriel had, that's why I decided to do it 5 through CBT Group.</p> <p>6 Q But at no point did Maurizzio Group 7 take investors?</p> <p>8 A No, ma'am.</p> <p>9 Q So, where are you getting this capital?</p> <p>10 A That's what I would have to check 11 the -- the statements, but most of that was my 12 money.</p> <p>13 Q Okay. Okay. So, \$1 million is a 14 significant amount of money. You're saying that 15 you didn't ever get it from investors because 16 Maurizzio Group never really got off the ground, 17 right?</p> <p>18 A Correct.</p> <p>19 Q And Maurizzio Group never took any 20 investors, right?</p> <p>21 A Correct.</p> <p>22 Q And most of it is your money, right?</p> <p>23 A Yes, ma'am.</p> <p>24 Q But not all of it is your money, right?</p> <p>25 A Not -- that's why I have to check the</p>
<p>1 information.</p> <p>2 Q I'm less interested in the \$1 million. 3 I'm now more interested in the Maurizzio Group 4 what the operations were. Please tell me.</p> <p>5 A That -- that was like marketing, but at 6 the beginning it was like a -- like I said, it -- 7 it was more like a CBT. Instead of doing it at 8 Maurizzio Group, I started doing the development 9 through Mauricio -- I mean, instead of doing it 10 through Maurizzio Group, I started doing it 11 through CBT Group, the development side of the 12 real estate.</p> <p>13 Q I still don't understand. Is it your 14 testimony today that you did real estate 15 development through the Maurizzio Group?</p> <p>16 A That's what I was starting, but I 17 decided to do it through CBT Group.</p> <p>18 Q Okay. And so, Maurizzio Group has \$1 19 million because you did a real estate development 20 with them?</p> <p>21 A No. That was -- the Maurizzio Group 22 money, that was my money. That was not money 23 from investors.</p> <p>24 Q But you said you did real estate 25 development with Maurizzio Group, right?</p>	<p>Page 208</p> <p>1 statement. But a lot of it -- a lot of it -- 2 most of it -- the majority of it is my earnings 3 from the -- my crypto portfolio personally as 4 well.</p> <p>5 Q Okay. So, in the Maurizzio Group 6 you're housing money that you earned in 7 commissions and bonus from CryptoFX; is that 8 correct?</p> <p>9 A And my personal portfolio.</p> <p>10 Q And your personal portfolio?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay. And you put it in the Maurizzio 13 Group entity. And you were going to take this 14 money use it to develop real estate, but then you 15 met Gabriel and Georgio and then you created CBT, 16 right?</p> <p>17 A Correct. The -- the vision that I had 18 for Maurizzio Group I -- because of the 19 experience that they had, I wanted to do it with 20 the CBT Group.</p> <p>21 Q Okay. I think I understand. I might 22 come back to that one.</p> <p>23 MS. HARRIS: Let's go to the page 24 ending in 758.</p> <p>25 Q So, kind of starting at the top of the</p>

<p style="text-align: right;">Page 211</p> <p>1 page it looks like you might have copied and      2 pasted someone else's text message because they      3 are referring to you and you're not talking in      4 the third person I assume. So, help me      5 understand what's going on here.</p> <p>6 There is a message at the very top on      7 June 28th, 2021 at 7:13 p.m. from you. And it      8 says -- starts with, Yeah, I got \$5,000.00 in      9 cryptos and that went down literally more than      10 half too. And then it continues, And 5K is      11 nothing compared to all the tears and sweat that      12 I dedicated to you and your company for years,      13 Mauricio. So, don't tell me that's a lot of      14 money. Seven long years of supposedly brothers,      15 slash, business partners. The company keeps      16 growing from seeds that we all planted, us three,      17 but you know where I stand, Mauricio. You know      18 well know what I did for the company and what I      19 sacrificed too. You all know my work, Mauricio,      20 and that's now in the office is completely      21 different culture.</p> <p>22 I know I was an important piece. So      23 now many people keep looking for me from your      24 company to work with me, but I decline every      25 single one of them. I don't need a company of my</p>	<p style="text-align: right;">Page 213</p> <p>1 A I can. Through my attorney I      2 definitely will.</p> <p>3 Q Okay. Was he ever an employee?</p> <p>4 A Yes, ma'am.</p> <p>5 Q What did he do?</p> <p>6 A He helped people with the crypto      7 wallets, these people, with different cryptos as      8 well.</p> <p>9 Q So, he traded on behalf of your      10 investors and he taught people; is that right?</p> <p>11 A Mostly. He -- he -- no, he didn't do      12 trading. He mostly did teaching.</p> <p>13 Q And based off his teaching he got      14 \$500,000.00?</p> <p>15 A That -- that's the portfolio that I had      16 given him to do trading -- to hold and do      17 trading, but I guess the portfolio that he -- he      18 decided not to give to me.</p> <p>19 Q So, you did give him investor money to      20 trade; is that right?</p> <p>21 A Yes. Yes, ma'am. Yes, ma'am.</p> <p>22 Q Okay. So, let me go back to my      23 previous question. I'd like you to answer it.      24 Is it correct that he both taught and      25 did trading on behalf of your investors?</p>
<p style="text-align: right;">Page 212</p> <p>1 own, just so you know. I'm good by myself. All      2 of your leaders keep trying to hit me up, man.      3 That's how you know no one is loyal to you, but      4 yourself.</p> <p>5 And then in a separate message, all      6 caps, And you don't have to reply. I know you      7 know where I stand at -- in the company and you      8 know what work what I did. Only when I went to      9 Chicago that same week one million came in,      10 Mauricio. I know who I am and what I am and I'm      11 worth a lot more than 500K. We will talk soon.      12 God bless to you and your family always.</p> <p>13 Can you explain who that is from?</p> <p>14 A That is from one of the persons that      15 started with us as well, but he -- he was not --      16 not a partner. I don't know why he said that      17 because Eduardo and I are the ones that started      18 the company.</p> <p>19 Q What's his name?</p> <p>20 A His name is Gustavo.</p> <p>21 Q Last name?</p> <p>22 A Gomez.</p> <p>23 Q Do you have his contact information?</p> <p>24 A Yes, ma'am.</p> <p>25 Q Could you provide that to us?</p>	<p style="text-align: right;">Page 214</p> <p>1 A Yes. With the -- with the portfolio,      2 yes, ma'am.</p> <p>3 Q Okay. Give me a little bit of context      4 around this message. Why is he upset?</p> <p>5 A That's more on a personal level, ma'am.</p> <p>6 Q Okay. Okay. And I understand -- I      7 understand it's personal. It might be sensitive,      8 but is -- it seems like something happened,      9 perhaps you didn't pay him. Kind of, you know --      10 I understand it's sensitive, and you can take      11 your time, but kind of -- if you could help me      12 understand.</p> <p>13 A Yeah, that's -- that's more on a      14 personal. I would rather see if we can get that      15 through my lawyer.</p> <p>16 Q So, Mr. Chavez, I understand it's      17 personal, but this was a document that was      18 produced by your lawyer. And you are in      19 investigative testimony right now. So, to the      20 extent you, you know, can answer, I -- I ask you      21 to please do so. I would like to kind of get      22 some understanding.</p> <p>23 A Okay. Not a problem. What -- what      24 happened was that one of the persons that --      25 that -- the person that -- who was with -- you</p>

<p style="text-align: right;">Page 215</p> <p>1 know, pretty much we had a relationship, that's 2 what happened.</p> <p>3 Q Okay. Okay, understand. So, you had a 4 relationship with his girlfriend, is that my 5 understanding?</p> <p>6 A So, as I understood, they were no 7 longer together so.</p> <p>8 Q Okay. I understand. And we can move 9 on from that because I understand now.</p> <p>10 And this is him stating that he's done 11 with the business; is that right?</p> <p>12 A That is correct, yes, ma'am.</p> <p>13 Q Okay. And he -- you gave him 14 \$500,000.00 and kind of told him, you know, we're 15 kind of done with you; is that right?</p> <p>16 A Yes, ma'am.</p> <p>17 Q Okay. And that's why he's saying at 18 the very end, I'm worth a lot more than 500K?</p> <p>19 A That is correct.</p> <p>20 Q Okay. Thank you, Mr. Chavez. I 21 appreciate your candor. And we don't have to 22 explore too much more about that.</p> <p>23 MS. HARRIS: Jamie, if we could go to 24 766.</p> <p>25 Q 720 -- or, excuse me, July 23rd, 2021</p>	<p style="text-align: right;">Page 217</p> <p>1 Q Okay. Was he ever compensated by 2 CryptoFX in any way?</p> <p>3 A No, ma'am.</p> <p>4 Q Well --</p> <p>5 A Besides the loan that he had, that's 6 about it.</p> <p>7 Q What loan?</p> <p>8 A The loan that he made to -- in the 9 package to go into CryptoFX.</p> <p>10 Q Okay. So, he made a loan and he 11 invested money with you for cryptocurrency --</p> <p>12 A I'm sorry, that's how I met him, so.</p> <p>13 Q Okay. He made a loan to CryptoFX. He 14 invested with you. That's how you guys met, but 15 he also was getting referrals to you, correct?</p> <p>16 A Yes, ma'am.</p> <p>17 Q But he was never getting a salary or 18 anything like that?</p> <p>19 A No, ma'am.</p> <p>20 Q Okay. Understood.</p> <p>21 On down in this page you say -- or, 22 excuse me, Georgio says at 1:27, What do you 23 think of Bill Rapp becoming our broker when we 24 are granted the license to be a dealer entity? 25 I'm going to take this step by step. Who is Bill</p>
<p style="text-align: right;">Page 216</p> <p>1 at 1:21:08 Georgio says, I will be there in 20 2 minutes. You have to let me fix the company, 3 Brother. We are committing so many violations 4 and I'm trying to get us into -- excuse me. I'm 5 sorry. I'm trying to avoid us getting into some 6 serious trouble. Not only from the IRS, but also 7 the Texas Work Commission.</p> <p>8 What is he talking about here and what 9 company is he talking about here?</p> <p>10 A He's talking about CryptoFX, I'm sorry, 11 because I had all independent contractors with 12 CryptoFX and he was giving me idea to put them on 13 salary instead of being independent contractors, 14 but I have records that I've always given 1099 to 15 my employees and stuff. So, he wanted to make 16 sure that, you know, we had all the -- had the 17 employee salary employee and not 1099 independent 18 contractors. That's what he meant.</p> <p>19 Q Okay. So, Georgio did have a role in 20 CryptoFX?</p> <p>21 A More like a friendship. Not a role as 22 an employee.</p> <p>23 Q Okay. He was helping you out as a 24 friend, but he did have a role in your business?</p> <p>25 A To give an idea in a way.</p>	<p style="text-align: right;">Page 218</p> <p>1 Rapp?</p> <p>2 A I think Bill Rapp is -- you know, now 3 that I see it, I think he was the lawyer for 4 CryptoFX.</p> <p>5 Q You're -- you're wondering if Bill Rapp 6 was the lawyer for CryptoFX?</p> <p>7 A Yeah. He -- Georgio was the most 8 involved. So, I don't know if he's the lawyer or 9 he's the contact for the lawyer. I have to 10 double check on that. I'm not quite sure on that 11 one.</p> <p>12 Q Okay. So, at some point Bill Rapp was 13 doing legal services for CryptoFX; is that right?</p> <p>14 A No. I'm sorry, for CBT Group I meant.</p> <p>15 Q Oh, okay. Okay.</p> <p>16 A My apologies.</p> <p>17 Q No, no worries. I've made that same 18 mistake. No worries.</p> <p>19 In this message what entity is Georgio 20 talking about?</p> <p>21 A Let me see. Okay. For CryptoFX. Like 22 he meant, broker -- like a -- like a license, 23 like a broker license for -- for investing, 24 that's what he meant.</p> <p>25 Q Yeah, okay. And so, you say, Let's do</p>

<p style="text-align: right;">Page 219</p> <p>1 it, Brother. And he says, Sounds awesome. So, 2 you agreed that CryptoFX needs a broker, correct? 3 A Yes, ma'am. 4 Q Okay. And he also says, When we are 5 actually granted the license to be a dealer 6 entity. What license is he referring to? 7 A The -- the -- the license -- the broker 8 license. That's what he meant. 9 Q And so you agree that CryptoFX needs a 10 brokers license; is that right? 11 A Yes, ma'am. 12 MS. HARRIS: Let's go down to 672, 13 please. 14 Q And it -- it just struck me, I 15 apologize, we can -- we can stop here and take a 16 five-minute break if people need it. I -- I 17 didn't realize how long we had been going. I 18 apologize to everyone. I had promised I would 19 give breaks. 20 Mr. Chavez, do you need a five-minute 21 break here? 22 A Yes, please. 23 Q Okay. Great. We'll stop. We're going 24 to start back up on CFX 018782, but right now 25 we're going to go off the record at 3:51.</p>	<p style="text-align: right;">Page 221</p> <p>1 that, but of course we want to make sure that we 2 are in good standards and following every single 3 rule aspect. 4 Q Okay. He says that you're wanting to 5 transition to a financial advisory service. Are 6 you -- are you providing financial advice? 7 A No, ma'am. 8 Q So, when people pay you for the classes 9 to teach them how to trade is that not providing 10 financial advice? 11 A No, ma'am, because we give them ideas, 12 but the final decision they make them. 13 Q Okay. When you are working with your 14 VIPs and you give them the trades and you're 15 showing them how to trade, is that not providing 16 personalized financial advice? 17 A No, because at the end of the day -- 18 I'm sorry, at the end of -- what we tell them, 19 they're the ones that decide, okay, we'll go 20 ahead and I'm going to do that exchanges going 21 from these other account. So, at the end of the 22 day, even though I -- I tell them what I'm doing 23 and I give them as far as an idea of what I'm 24 doing, I always make it clear to them that 25 they're the ones that make the final decision.</p>
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<p style="text-align: right;">Page 220</p> <p>1 (Brief recess taken at 3:51 p.m. 2 Central Time.) 3 MS. HARRIS: So, we are back on the 4 record at 3:57 p.m. Central Time. 5 BY MS. HARRIS: 6 Q And, Mr. Chavez, we -- I just started 7 asking you about the document that ends in 782. 8 At the very top Georgio states, I understand. 9 Thanks for trusting me on this one. We really 10 need to take care of CFX. And if we have any 11 hope of finally making the transition to a 12 financial advisory service once we can honestly 13 report our financials. So, I'm going to break 14 that document -- excuse me, message down into a 15 couple of questions. 16 What was Georgio really doing for CFX 17 at this time? 18 A Just advising. Just, I ask him for -- 19 help me out to get an -- an idea on how we can -- 20 you know, of course we -- we doing it to loans, 21 but we -- you know, we're not looking for 22 investors right now outside of CryptoFX Academy, 23 but eventually down the road our idea, our goal, 24 was to be a -- a financial company. Let's say, 25 Fidelity, Vander Group, you know, companies like</p>	<p style="text-align: right;">Page 222</p> <p>1 Q Correct. But you're giving them advice 2 as to -- let me restate that. 3 You're giving them guidance as to what 4 you would do and how they should execute their 5 trades; is that correct? 6 A Yes. 7 Q And is that not financial advice? 8 A It would be financial advice if I would 9 do it for them, but I would just guide them. 10 Like, not really execute. They're the ones that 11 do it. They're the ones that make the final 12 decision. 13 Q I understand that, but you previously 14 testified that for your VIP people that they had 15 direct access to you. They can look at your 16 trades. They can talk to you. And that's what 17 makes it VIP; is that right? 18 A Right. It makes it VIP the fact that 19 they are getting the trades from me, the -- the 20 ones that have the top production, you know. 21 Q And you have the ability to interact 22 with them directly, correct? 23 A Yes, ma'am. 24 Q Okay. I'm still trying to figure out 25 why you not executing that -- executing their</p>
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<p style="text-align: right;">Page 223</p> <p>1 trades for them even matters. You're giving them 2 financial guidance, correct?</p> <p>3 A I'm -- I would say no because the -- 4 the decision -- you know, like I could tell you, 5 okay, to buy certain coins because I think -- 6 personally think that it's going to go down, but 7 at the end of the day, you are the ones who's 8 going to make the final decision to buy it or 9 not.</p> <p>10 Q Right. But you are telling people on a 11 one-on-one basis, here's what I think you should 12 do, but you're leaving it to their discretion 13 whether or not to do it; is that right?</p> <p>14 A Yes. Yes, ma'am.</p> <p>15 Q Okay. Were you not honestly reporting 16 your financials before?</p> <p>17 A Yes. Yes, I was. Yes, ma'am.</p> <p>18 Q He says, Once we can honestly report 19 our financials.</p> <p>20 A But that -- he has no clue, but I do 21 report my financials.</p> <p>22 Q So, what is he referencing here?</p> <p>23 A I -- I have no idea, ma'am.</p> <p>24 Q Okay.</p> <p>25 A I did my taxes and everything.</p>	<p style="text-align: right;">Page 225</p> <p>1 completely different. So, this is in the crypto 2 space that we're doing it, but it's not financial 3 advice. This is more on the long-term scale that 4 where we envisioning to be in -- in the future, 5 you know.</p> <p>6 Q Okay. So, I'm -- I'm a little bit 7 confused, you know, about the advice thing and 8 about how you say the end of the day they're 9 not -- that you're -- that it's up to them to 10 execute because some people -- some of your 11 students, you're -- you're also doing their 12 crypto wallets, right? Because they've also given 13 you loans.</p> <p>14 So, there are some students that attend 15 your classes, hear your financial guidance and 16 kind of what you would do, et cetera, et cetera. 17 And then, you are also taking their money and 18 executing those trades, correct?</p> <p>19 A Yes, ma'am.</p> <p>20 Q Okay. So, there are some people that 21 you're saying, Here's what I, Mauricio Chavez, 22 would do and then you are executing upon that 23 plan with their money, right?</p> <p>24 A On -- you mean on the loans that they 25 give us, correct?</p>
<p style="text-align: right;">Page 224</p> <p>1 Q Okay.</p> <p>2 A And the company's taxes.</p> <p>3 Q Okay.</p> <p>4 MS. HARRIS: Let's go to page ending in 5 812, please.</p> <p>6 Q Middle of the page the message that Gio 7 or Georgio sent to you on October 27th, 2021 at 8 11:45 a.m, Brother, just to circle back on this 9 morning's conversation. I really wished we could 10 engage our attorneys about getting us the 11 position to apply to the SEC for a financial 12 advisory license. I just see a really good 13 future for CFX if we can get over this hurdle. 14 CFX is CryptoFX, correct?</p> <p>15 A Yes, ma'am.</p> <p>16 Q Why is he wanting to apply for a 17 financial advisory license?</p> <p>18 A Because he knows that the big goal that 19 we have as a corporation, as a company, my vision 20 is to be one of these companies, but -- you know. 21 So, that's why he was telling me that.</p> <p>22 Q But you were previously not giving 23 financial advice. Is that my understanding?</p> <p>24 A Well, no. We're actually -- no, I'm 25 not giving financial advice. We are -- it's</p>	<p style="text-align: right;">Page 226</p> <p>1 Q Yes.</p> <p>2 A Yes, ma'am.</p> <p>3 Q Their money, yes.</p> <p>4 A Yes, ma'am.</p> <p>5 Q Okay. What attorney is he talking 6 about?</p> <p>7 A I don't know if he's talking about Bill 8 Rapp.</p> <p>9 Q Okay. Did you ever consider applying 10 for a license before?</p> <p>11 A Yes, ma'am.</p> <p>12 Q Okay. When?</p> <p>13 A Since 2021 up to that as well.</p> <p>14 Q And that's because you just have a 15 broader vision of the company?</p> <p>16 A Well, you know, the thing is that we 17 haven't grown or nothing because we -- you know, 18 because we need the license, you know. We want 19 to be in the vendor space. We want to be -- so, 20 another -- I mean, that was always the vision, 21 you know.</p> <p>22 Q Right. But it's your testimony that, 23 you know, you would get a license to do things in 24 the future. You're not getting a license because 25 of past conduct, right?</p>

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1 C E R T I F I C A T E

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3 I, SHAUNNA H. MORAN, a Certified  
4 Shorthand Reporter and Registered Professional  
5 Reporter in the States of New Jersey, New York and  
6 The District of Columbia, and Notary Public of the  
7 State of New Jersey, do hereby certify that the  
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9 testimony as taken stenographically by and before  
10 me at the time, place and on the date hereinbefore  
11 set forth.

12 I DO FURTHER CERTIFY that I am  
13 neither a relative nor employee nor attorney nor  
14 counsel of any of the parties to this action, and  
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16 attorney or counsel, and that I am not financially  
17 interested in the action.

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